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AGRICULTURE

U.S. FARM REPORT

The nation's longest running agricultural news program

Show #1795

Weekend of January 05, 2007

2008 CORN: JUST AS THE ETHANOL INDUSTRY'S APPETITE FOR CORN IS SURGING, PRODUCERS ACROSS FARM COUNTRY WILL PROBABLY PLANT FEWER ACRES THIS YEAR. THIS, ACCORDING TO LONG-TIME AGDAY ANALYST AND PURDUE AG ECONOMIST CHRIS HURT. CHRIS SAYS THE REVELATION HAS TWO MAJOR IMPLICATIONS...FIRST, THE CORN-BASED ETHANOL INDUSTRY WILL HAVE EXCESS PRODUCTION CAPACITY IN THE FACE OF NARROW - EVEN NEGATIVE MARGINS DURING THE NEXT COUPLE OF YEARS. HURT PREDICTS A SIX PERCENT DECLINE IN CORN ACRES THIS YEAR...WHICH WOULD DROP CORN PRODUCTION TO ABOUT 12.4 BILLION BUSHEL. AND HE SAYS HISTORICALLY HIGH PRICES FOR CORN WILL PROBABLY CONTINUE IN THE MID TO HIGH FOUR DOLLAR RANGE UNTIL CORN PRODUCTION CAN MEET THE DEMAND...ACCORDING TO HURT, POSSIBLY IN 2009.

VERASUN: THE FEDERAL TRADE COMMISSION REMOVED A BIG BARRIER THIS WEEK IN THE MERGER BETWEEN TWO BIO-ENERGY GIANTS. VERA-SUN ENERGY AND U.S. BIOENERGY ANNOUNCED IN LATE NOVEMBER OF THEIR INTENTIONS TO MERGE. LATE THIS WEEK, FTC GRANTED EARLY TERMINATION OF THE WAITING PERIOD REQUIRED IN A BUSINESS MERGER. WITH THE ANTI-TRUST REVIEW COMPLETE, THE TWO COMPANIES CAN MOVE FORWARD WITH THE DEAL. THEY HOPE TO COMPLETE THE TRANSACTION BY MARCH. COMBINED, THE ENERGY COMPANY WILL ANNUALLY PRODUCE 1.6 BILLION GALLONS OF ETHANOL.

SOYBEAN RUST 2007: WITH THE BOOKS CLOSED ON 2007, THE USDA SAYS THE NUMBER OF CASES OF ASIAN SOYBEAN RUST HIT AN ALL-TIME HIGH. A TOTAL OF 20 STATES, ONE OF THOSE BEING HAWAII, REPORTED POSITIVE CASES OF THE DISEASE....TOTALLING 336 COUNTIES. THERE WAS SIGNIFICANT RUST IN THE NATIONS BIG SOYBEAN PRODUCING STATES -- 4 COUNTIES IN ILLINOIS AND 14 IN IOWA. ALSO, FOR THE FIRST TIME EVER, KANSAS HAD ITS FIRST CASE IN 2007. ONE PROVINCE IN CANADA AND TWO STATES IN MEXICO HAD POSITIVE DETECTIONS. THE USDA SAYS IT CONTINUES TO MONITOR RUST THROUGHOUT THE WINTER MONTHS ON KUDZU IN SOUTHERN STATES. THE PATHOGEN WAS FIRST DISCOVERED IN THE U.S. IN 2004.

CITRUS COLD: COLD TEMPERATURES IN BOTH CALIFORNIA AND FLORIDA RAISED FEARS FOR CITRUS GROWERS. ORANGE GROWERS IN CALIFORNIA'S CENTRAL VALLEY SAY THEY HAD SOME MINOR FRUIT SCARRING FROM ICE, BUT CONSUMERS SHOULDN'T FEEL AN IMPACT. AND IN FLORIDA, A DEEP FREEZE HIT THE STATE ON THURSDAY....BUT A CITRUS GROWERS ORGANIZATION SAYS IT DIDN'T STAY COLD LONG ENOUGH FOR WIDESPREAD DAMAGE.

ROUNDTABLES: RICHARD BROCK & GREGG HUNT

JOHN'S WORLD: WELL, THE NEXT TIME WE HEAR ABOUT IOWA IN THE NEWS COULD BE THE MARCH PLANTING INTENTIONS REPORT. WITH THE INTENSELY COVERED IOWA PRIMARIES NOW BEHIND US, THOSE POOR RESIDENTS CAN FINALLY WALK OUT THE DOOR WITHOUT BEING SURVEYED OR INTERVIEWED, AND THEY CAN WATCH SOME REAL COMMERCIALS FOR A CHANGE. FRANKLY, AS A NEIGHBOR IN ILLINOIS I HAVE RESENTED THE PRESUMPTION OF IOWANS WHO WITHOUT A HINT OF ARROGANCE WILL TELL YOU THEIR JOB IS TO CHOOSE THE CANDIDATES FOR THE REST OF US. BUT IN FAIRNESS, EVEN CRITICS HAVE TO ADMIT THAT ON A COLD WINTER EVENING, THEY WENT ABOUT THEIR SELF-APPOINTED DUTIES WITH EARNEST DILIGENCE. IT'S HARD NOT TO GRUDGINGLY ADMIRE THAT. WHETHER WINNING IOWA WILL BE AS CRUCIAL AS PREDICTED REMAINS TO BE SEEN, ESPECIALLY WITH STATES LIKE CALIFORNIA AND MINE FOLLOWING SOON AFTER. IT IS MY HOPE THAT THE RACES ARE STILL WIDE OPEN, AND ALL OUR PRIMARY VOTES WILL MATTER. REGARDLESS, THIS POLITICAL SEASON IS UNLIKE ANYTHING IN LIVING MEMORY. THE FOLKS IN IOWA HAVE ENDURED NON-STOP CAMPAIGN ADS, 24-HR MEDIA ATTENTION AND RELENTLESS BLOVIATING BY PSEUDO-EXPERTS LIKE, WELL, ME. AND THEY PERFORMED WITH DIGNITY AND UNCOMMON GOOD WILL. I'M NOT SURE MANY OTHER STATES COULD DO AS WELL. SO WHETHER WE LIKE THE SYSTEM OR THE OUTCOME, I THINK WE ALL HAVE TO ADMIT IOWANS STEPPED UP AND DID THEIR BEST.

NAFTA: WHEN THE CLOCK STRUCK MIDNIGHT ON JANUARY FIRST, THE NORTH AMERICAN FREE TRADE AGREEMENT WAS FULLY IMPLEMENTED -- 14 YEARS AFTER ITS INCEPTION. ACTING AG SECRETARY CHUCK CONNER SAYS NAFTA IS A REMARKABLE SUCCESS STORY FOR U.S., CANADA AND MEXICO. CONNER SAYS COMBINED AG EXPORTS TO THOSE NEIGHBORING COUNTRIES GREW FROM TEN-BILLION IN 1994 TO AN EXPECTED 28 BILLION THIS YEAR. THE LAST REMAINING TRADE BARRIERS OF U.S. PRODUCTS TO MEXICO ARE NOW LIFTED. OF COURSE, THAT MEANS MEXICO EXPORT BARRIERS ON SOME PRODUCTS - SUCH AS SUGAR - ARE LIFTED AS WELL. SOME U.S. SUGAR BEET AND SUGARCANE PRODUCERS ARE CONCERNED THE FREE-FLOWING SUGAR FROM MEXICO COULD CREATE A SURPLUS AND DRIVE DOWN PRICES.

SUGARCANE: MEANWHILE, SUGARCANE PRODUCERS IN LOUISIANA ARE KEEPING A CLOSE EYE ON SUGAR IMPORTS. THEY JUST ENDED THEIR HARVEST. ACCORDING TO THE LOUISIANA STATE UNIVERSITY AGCENTER, GROWERS ARE AVERAGING 218 POUNDS OF RECOVERABLE SUGAR PER ACRE. WEATHER COOPERATED THIS YEAR. LSU SAYS AVERAGE PRODUCTION WAS 34 TONS AN ACRE, BUT SOME FIELDS WERE AS HIGH AS 50 TONS. JUST LIKE ALL FARMERS, PRODUCTION COSTS WERE UP THIS YEAR.

DIGITAL TV: IF YOU'RE ONE OF THE MILLIONS OF AMERICAN'S WHO STILL NEED TO MAKE THE SWITCH FROM ANALOG TO DIGITAL TV, THE GOVERNMENT WANTS TO HELP. IN AN EFFORT TO HELP CONSUMERS PAY FOR SPECIAL CONVERTOR BOXES - WHICH ARE EXPECTED TO COST UP TO \$70 A PIECE - \$40 COUPONS ARE NOW AVAILABLE ON-LINE. TO GET ONE, HEAD TO "DTV2009.GOV"...OR YOU CAN CALL A 24-HOUR TOLL FREE HOTLINE AT 888-DTV-2009...THAT'S 888-388-2009. WE'LL BE SURE TO POST THIS INFORMATION ON OUR HOME PAGE AS WELL. THE DEADLINE FOR THE CONVERSION IS FEBRUARY 18TH OF NEXT YEAR. REMEMBER - HOMES THAT HAVE SATELLITE OR CABLE WON'T NEED A BOX.

SPIRIT OF THE HEARTLAND: THIS MORNING'S SPIRIT OF THE HEARTLAND TAKES US TO COVER'S APPLE RANCH IN TUOLUMNE, CALIFORNIA WHERE FRESH APPLES AND FRESH-BAKED PIES HAVE BEEN DRAWING PEOPLE FOR YEARS. THE ROOTS OF THE RANCH DATE BACK TO 1890 WHEN THE FIRST TREES WERE PLANTED. THE NAME OF THE RANCH HAS CHANGED WITH THE OWNERSHIP OVER THE YEARS. BUT IN THIS REPORT FROM THE CALIFORNIA FARM BUREAU, JIM MORRIS SAYS THE ORIGINAL TREES HAVE REMAINED THE SAME. TO LEARN MORE ABOUT THIS OPERATION, HEAD ON-LINE TO "COVERSAPPLERANCH.COM"...WE'LL BE SURE TO POST A LINK ON OUR HOME PAGE FOR EASY ACCESS.

TOP PRODUCER FINALIST: IN JUST A COUPLE WEEKS TOP PRODUCER MAGAZINE - A PART OF THE FARM JOURNAL FAMILY - WILL ANNOUNCE THE WINNER OF ITS PRESTIGIOUS "TOP PRODUCER OF THE YEAR" CONTEST. THIS ANNUAL AWARD IS GIVEN TO A PRODUCER WITH A PROVEN TRACK RECORD OF SOUND FINANCIAL PERFORMANCE AND INNOVATIVE MANAGEMENT PRACTICES. WHILE MANY ENTERED, ONLY THREE WERE CHOSEN AS FINALISTS..AND WE'RE GOING TO MEET THEM ALL OVER THE NEXT THREE WEEKS. OUR FIRST STOP - THE KEYSTONE STATE...HOME TO A FAMILY FARM WITH REMARKABLE VISION. THANKS SCOTT...OVER THE NEXT COUPLE WEEKS WE'LL MEET THE OTHER TWO FINALISTS FOR THE "TOP PRODUCER OF THE YEAR". NEXT WEEK YOU'LL MEET LEROY SHATTO, OWNER OF THE SHATTO MILK COMPANY IN OSBORN, MISSOURI...AND IN TWO WEEKS WE'LL FEATURE DAVE MINICH, A FARMER FROM LOGANSPOET, INDIANA. THE WINNER WILL BE ANNOUNCED AT THE TOP PRODUCER SEMINAR - HELD LATER THIS MONTH IN CHICAGO. FOR MORE DETAILS, VISIT THE TOP PRODUCER PAGE ON AGWEB.COM.

TRACTOR TALES: YOU MIGHT REMEMBER A SPIRIT OF THE HEARTLAND LAST SUMMER INVOLVING A COUPLE OF LADIES FROM OHIO WHO HAD THEIR OWN CALLIOPE. THEIR CIRCUS-STYLE MUSIC ENTERTAINS FOLKS AT FARM SHOWS AND PARADES THROUGHOUT THE BUCKEYE STATE. BUT IT'S THE TRACTOR PULLING THAT CALLIOPE THAT GETS OUR ATTENTION THIS MORNING. IT'S A 1934-OR-35 SILVER KING THAT WAS SAVED FROM A BONEYARD FOR FIFTY-BUCKS.

COUNTRY CHURCH SALUTE: OUR FIRST COUNTRY CHURCH SALUTE GOES TO CARTHAGE, NEW YORK AND THE FIRST BAPTIST CHURCH, WHO CELEBRATE THEIR 175TH ANNIVERSARY THEIR MONTH. STRUGGLING THROUGH TWO DEVASTATING FIRES, THE CURRENT BUILDING IS THE THIRD HOME FOR THE CONGREGATION. THE BUILDING IS LISTED ON THE NEW YORK STATE REGISTER OF HISTORIC PLACES. THE CURRENT PASTOR IS REV. ROBERT BARONE AND THE INFORMATION WAS FORWARDED BY MARY SWEENEY AND SUSAN CERVINI. OUR SECOND CHURCH IS THE IMMANUEL LUTHERAN CHURCH - MISSOURI SYNOD OF RURAL HEPLER, KANSAS. LAST YEAR THEY CELEBRATED 125 YEARS OF MINISTRY. THE PRESENT CHURCH WAS DEDICATED IN 1907. ORGANIZED IN 1882 BY GERMAN IMMIGRANTS, THE CONGREGATION NOW NUMBERS 140 BAPTIZED MEMBERS, MANY OF WHOM ARE FIFTH AND SIXTH GENERATION DESCENDENTS OF THE FOUNDERS. DEBBIE LEHMAN, A GREAT-GREAT

GRANDDAUGHTER OF AN ORIGINAL ORGANIZER SENT 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 LOOK INSIDE THE FARM REPORT MAIL BAG... WE RECEIVED A CALL FROM A VIEWER WHOSE NAME GOT LOST IN THE SHUFFLE BUT WHOSE EMAIL IS "TURKEYS-EIGHT" ASKING FOR MORE INFORMATION ABOUT BROADBAND FOR RURAL USERS. I KNOW I HAVE PUSHED THE ADOPTION OF THIS TECHNOLOGY MANY TIMES, BUT I TRULY BELIEVE IT IS A CRUCIAL INVESTMENT FOR FARMERS AND OTHER RURAL RESIDENTS. IN FACT, THE INDICATIONS ARE SMALLER FARMS, EXPECIALLY AGRARIAN PRODUCERS SUCH AS ORGANIC OR CAGE-FREE OPERATIONS ARE RELYING ON WEBSITES TO MARKET TO THEIR RELATIVELY NARROW CONSUMER BASE. I WILL POST SOME LINKS ON OUR HOME PAGE FOR THOSE WHO WANT TO EXPLORE HOW TO GET BROADBAND - HIGH-SPEED INTERNET IN THEIR HOME. BUT I KNOW MANY OF YOU ARE NOT EXCITED ABOUT TAKING THIS TECHNOLOGICAL STEP. A RECENT REPORT ON RURAL INTERNET USE BY THE USDA UNCOVERED THE FACT THAT EVEN WHEN INEXPENSIVE INTERNET ACCESS IS MADE AVAILABLE, MANY COUNTRY FOLKS ARE TAKING A PASS. ECONOMIST BRIAN WHITACRE AT OKLAHOMA STATE STUDIED THE FABLED DIGITAL DIVIDE AND FOUND THAT EVEN SIGNIFICANT INVESTMENT IN TECHNOLOGY ACCESS YIELDS FEWER NEW USERS THAN EXPECTED. WHILE THIS IS NOT THE RESULT MANY OF US EXPECTED, THIS DECISION SHOULD BE RESPECTED. JUST LIKE SATELLITE TV OR CELL PHONES, NEW COMMUNICATIONS CHANNELS DO NOT INTEREST ALL. THE DOWNSIDE, HOWEVER, IS THE FUTURE OF THE OLD TECHNOLOGY SUCH AS BROADCAST TV AND DOING BUSINESS BY PHONE IS LOOKING PROBLEMATIC. THE OLD WAYS MAY BE GOOD ENOUGH FOR SOME, BUT THEY DON'T APPEAR TO BE GOOD ENOUGH FOR THE FUTURE. 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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Show #1796

Weekend of January 12, 2008

CROP REPORT: THE DEPARTMENT OF AGRICULTURE RELEASED A BARRAGE OF NUMBERS ON FRIDAY WITH SOME REAL SURPRISES - THE BIGGEST BEING THE STRONG USAGE OF CORN, DESPITE NEAR - RECORD PRICES. DATA ON WHEAT, SOYBEANS AND COTTON SHOWED SUPPLY AND DEMAND WITHIN PRE-REPORT ESTIMATES, BUT THE NUMBERS FROM CORN SUPPLIES ECHOED AROUND THE WORLD AS 2007-8 CARRYOVER FOR THE GLOBE WAS REDUCED ABOUT 9 PERCENT. TO UNDERScore THE NEW MARKET DYNAMICS FOR CORN, USDA RAISED THE EXPECTED FARMGATE PRICE FOR CORN BY 35 CENTS. THE REACTION TO THE CORN NUMBERS WILL ADD MORE URGENCY TO THE FOOD VERSUS FUEL DEBATE AND CHALLENGE BOTH LIVESTOCK FEEDERS AND ETHANOL PRODUCERS TO MAKE A PROFIT. THE OTHER STUNNER WAS WINTER WHEAT PLANTINGS WHICH WERE AT THE VERY BOTTOM OF PRE-REPORT EXPECTATIONS.

ENERGY UPDATE: JUST AS RENEWABLE ENERGY GETS A BIG BOOST WITH THE RECENTLY SIGNED ENERGY BILL, THERE'S NEW EVIDENCE THAT SWITCHGRASS MAY BE A POPULAR OPTION MOVING FORWARD. RESEARCHERS AT THE UNIVERSITY OF NEBRASKA-LINCOLN HAVE JUST FINISHED A FIVE YEAR LONG STUDY OF THE BIO-MASS. THEIR CONCLUSIONS? YOU CAN PRODUCE FIVE-HUNDRED FORTY PERCENT MORE ENERGY WITH SWITCHGRASS THAN IS NEEDED TO GROW, HARVEST AND PROCESS IT INTO CELLULOSIC ETHANOL. THEY DO WARN FOLKS NOT TO MAKE A DIRECT COMPARISON TO CORN-BASED ETHANOL. REFINERIES FOR CORN ALREADY EXIST, UNLIKE SWITCHGRASS.

EIA FORECAST: A NEW YEAR OFFERS NO RELIEF AT THE PUMP. ACCORDING TO THE LATEST NUMBERS FROM THE ENERGY INFORMATION ADMINISTRATION, THE NATIONWIDE AVERAGE GAS PRICE HAS REACHED \$3.10 A GALLON...UP A NICKEL FROM THE WEEK BEFORE AND MORE THAN 80-CENTS HIGHER THAN A YEAR AGO. AT THIS POINT THE EIA EXPECTS CRUDE OIL PRICES TO AVERAGE 94-DOLLARS A BARREL FOR JANUARY...AND 87-DOLLARS FOR THE YEAR AS A WHOLE. IN ADDITION, THE AGENCY SAYS BY 2009, INCREASED PRODUCTION SHOULD EASE THE CRUNCH A BIT, DROPPING AVERAGE OIL PRICES TO 82-DOLLARS A BARREL.

DEERE PICKER DELAY: JOHN DEERE HAS DECIDED TO DELAY THE RELEASE OF ITS NEW "CUTTING EDGE" COTTON PICKER -- THE 7760. THE COMPANY SAYS IT WON'T BE AVAILABLE NOW UNTIL THE 2009 HARVEST. DEERE INTRODUCED THE HYBRID PICKER-BALER THIS PAST SUMMER. THE 7760 NOT ONLY HARVESTS THE COTTON, BUT THROWS INTO A BIN THAT CREATES MODULES. DEERE SAYS IT WILL CONTINUE FIELD TESTS THRU THIS YEAR TO INSURE THE MACHINE MEETS THEIR RELIABILITY STANDARDS. IN ADDITION, THE COMPANY SAYS IT'S WORKING WITH DEALERS AND GROWERS WHO PRE-BOUGHT THE 77-60 TO MAKE SURE THEIR 08-EIGHT HARVEST WILL NOT BE IMPACTED BY THE DELAY.

ROUNDTABLES: AL PELL TALKS WITH JIM BOWER & ANDY SHISSLER.

AGRITOURISM: WITH A GROWING NUMBER OF FARMING OPERATIONS LOOKING TO DIVERSIFY THEIR OFFERINGS, AGRI-TOURISM IS GROWING IN POPULARITY. ACCORDING TO ANALYSIS DONE BY THE USDA'S ECONOMIC RESEARCH SERVICE - HUNTING, FISHING, HORSEBACK RIDING AND OTHER ON-FARM ACTIVITIES PROVIDED INCOME TO MORE THAN FIFTY-TWO THOUSAND FARMS IN 2004...A NUMBER THAT HAS SURELY INCREASED SINCE THAT TIME. FARMS IN THE SOUTH ACCOUNT FOR MORE THAN HALF OF THAT TOTAL. IN THE MIDWEST, RECREATIONAL INCOME IS DRIVEN PRIMARILY BY HIGH-QUALITY HABITAT POPULAR WITH HUNTERS, ANGLERS AND TRAIL RIDERS.

SUCCESSION: THE SHOW-ME STATE IS TAKING STEPS TO KEEP THE FAMILY FARMS ALIVE AND WELL. INCREASING LAND PRICES, PLUS NECESSARY INVESTMENT IN EQUIPMENT, MAKE IT VERY DIFFICULT FOR YOUNG PEOPLE TO GET INTO FARMING. MISSOURI GOVERNOR MATT BLUNT ANNOUNCED PLANS TO ESTABLISH THE "FARM LEGACY EXCHANGE PROGRAM". THE PLAN WOULD MATCH YOUNG FARMERS WITH RETIRING FARMERS TO DEVELOP A TRANSITION STRATEGY.

DIGITAL COUPONS: LAST WEEK WE TOLD YOU ABOUT A FEDERAL PROGRAM AIMED AT HELPING CONSUMERS MAKE THE SWITCH TO DIGITAL TV. SO FAR, IT'S PROVING TO BE A VERY POPULAR OFFERING. THE GOVERNMENT REPORTS NEARLY TWO-MILLION REQUESTS HAVE ALREADY BEEN RECEIVED FOR COUPONS WHICH WILL HELP PAY FOR BOXES THAT CONVERT DIGITAL SIGNALS TO ANALOG. EACH AMERICAN HOUSEHOLD IS ELIGIBLE TO RECEIVE A PAIR OF THE \$40 COUPONS. TO GET YOURS, HEAD ON-LINE TO "DTV2009.GOV"...OR CALL A TOLL FREE HOTLINE AT 888-DTV-2009.

BOX WINES: AMERICAN'S ARE DRINKING MORE WINE...AND NEW NUMBERS SHOW THEY'RE DRINKING MORE OF IT OUT OF BOX. ACCORDING TO THE CALIFORNIA FARM BUREAU, SALES OF BOX WINES JUMPED 44% LAST YEAR...WITH YOUNG ADULT CONSUMERS BEING THE BIGGEST BUYERS. INDUSTRY ANALYSTS SAY THIS TYPE OF PACKAGING PREVENTS WINE FROM OXIDIZING, ALLOWING IT TO STAY DRINKABLE LONGER ONCE IT'S OPENED.

WELDING UNIVERSITY: LAST YEAR AT THIS TIME WE TOLD YOU ABOUT THE FIRST-EVER "WELDING UNIVERSITY"...AN EVENT HOSTED BY FARM JOURNAL AND MILLER ELECTRIC MANUFACTURING. THINGS WENT SO WELL THEY'VE DECIDED TO DO IT AGAIN. YOU CAN NOW ENTER TO WIN AN ALL EXPENSES PAID TRIP TO MILLER'S HEADQUARTER'S IN WISCONSIN FOR THREE DAYS OF HANDS-ON TRAINING IN LATE MARCH. THREE GRAND PRIZE WINNERS WILL BE RANDOMLY SELECTED FROM THOSE WHO REPLY WITH A FULLY COMPLETED SURVEY...AVAILABLE RIGHT NOW AT AGWEB.COM. ALONG WITH THE TRAINING, WINNERS WILL RECEIVE A NUMBER OF OTHER COOL TOOLS...INCLUDING A WELDER AND A PLASMA CUTTER.

ALABAMA YOUNG FARMER: WE'VE ALL HEARD THE STORIES ABOUT HOW HARD IT IS FOR YOUNG PEOPLE TO MAKE A GO OF IT ON THE FARM THESE DAYS...SO WHEN THERE'S A SUCCESS STORY, WE LIKE TO TELL YOU ABOUT IT. ONE SUCH STORY CAN BE FOUND IN SOUTH-EASTERN ALABAMA...HOME TO A FARM THAT PRODUCES POULTRY, VEGETABLES, CATTLE - AND A HUNTING BUSINESS ON THE SIDE. IN THIS REPORT FROM THE ALABAMA FARMERS FEDERATION, KEVIN WORTHINGTON INTRODUCES US TO THE CARROLL'S...A YOUNG FAMILY CARVING OUT A BRIGHT FUTURE.

TOP PRODUCER FINALIST: LAST WEEK WE KICKED OFF A SERIES OF REPORTS FEATURING THE THREE FINALISTS VYING FOR THE "TOP PRODUCER OF THE YEAR" AWARD FROM TOP PRODUCER MAGAZINE. LAST WEEK YOU MET THE FARLEY FAMILY, TWO BROTHERS AND A COUSIN WHO OWN AND OPERATE STAR ROCK FARMS - A DIVERSIFIED OPERATION IN PENNSYLVANIA. TODAY WE'RE OFF TO MISSOURI TO MEET A DAIRYMAN WHO SUCCESSFULLY COMPLETED AN "ABOUT FACE" TO LAUNCH A THRIVING BUSINESS. SCOTT KINRADE HAS HIS STORY. NEXT WEEK WE'LL MEET THE THIRD FINALIST FOR THE "TOP PRODUCER OF THE YEAR"...DAVE MINICH, A FARMER FROM LOGANSPORT, INDIANA. THE WINNER WILL BE ANNOUNCED AT THE TOP PRODUCER SEMINAR IN CHICAGO. FOR MORE DETAILS, VISIT THE TOP PRODUCER PAGE ON AGWEB.COM.

TRACTOR TALES: TRACTOR TALES THIS WEEK LOOKS AT THE ART OF COMBINING THE TECHNOLOGY OF THE PRESENT WITH THE WISDOM OF THE PAST. THAT'S EXACTLY WHAT A PROFESSOR IN THE BLUEGRASS STATE IS TRYING TO PERFECT AS HE SEARCHES FOR ECONOMICALLY FEASIBLE TOOLS THAT DOUBLE AS PROBLEM SOLVERS. CAROL SPENCE HAS THE STORY IN THIS REPORT FROM THE UNIVERSITY OF KENTUCKY.

CHURCH SALUTE: OUR COUNTRY CHURCH SALUTE THIS MORNING HONORS PLEASANT HILL CHRISTIAN CHURCH IN RURAL WASHINGTON, IOWA. THIS YEAR WILL BE 172 YEARS SINCE THEIR FOUNDING. IN FACT, ACCORDING CHURCH MEMBER TO ANNETTE CHALUPA, WHO SENT US THE INFORMATION, PLEASANT HILL IS THE OLDEST ACTIVE CHURCH WEST OF THE MISSISSIPPI. STARTING IN 1836 IN A LOG CABIN BELONGING TO RICHARD MOORE THE CONGREGATION SOON MOVED TO A SMALL SCHOOLHOUSE NEAR WHERE THE PRESENT CHURCH STANDS. IN 1866 THE CURRENT BUILDING WAS ERECTED AND REMAINS TODAY. SEVERAL OF THE DESCENDANTS OF RICHARD MORRE STILL ATTEND TODAY, INCLUDING OUR CORRESPONDENT ANNETTE, WHO IS HIS GREAT-GREAT-GRANDDAUGHTER. OUR CONGRATULATIONS TO THE MEMBERS OF PLEASANT HILL CHRISTIAN CHURCH AS OUR COUNTRY CHURCH SALUTE THIS WEEK. 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 LOOK INSIDE THE FARM REPORT MAIL BAG...EVAN SHRINER FROM OREGON PHONED US WITH A QUESTION ABOUT WIND FARMS. "HIS SISTER LIVES IN WISCONSIN WHERE THEY ARE PUTTING UP 100 IN HER AREA. WITH IT TAKING 10-12 ACRES FOR EACH WINDMILL, THEY ARE TAKING LOTS OF GOOD FARMLAND." THANKS FOR WATCHING AND FOR YOUR QUESTION, EVAN. I CHECKED INTO WIND FARM ACTIVITY IN WISCONSIN AND THINK I CAN EXPLAIN

WHAT THE ISSUE HERE IS. THERE HAVE BEEN SEVERAL EFFORTS TO CONSTRUCT WIND FARMS IN WISCONSIN DUE TO FAVORABLE WIND ACTIVITY AND OF COURSE THE DEMAND FOR ELECTRICITY. THE RESISTANCE BY LOCAL RESIDENTS TO CONSTRUCTION HAS BEEN SIGNIFICANT AS WELL. OBJECTORS POINT TO WILDLIFE DAMAGE, NOISE, AND HEALTH IMPACTS, BUT MOST EXPERTS BELIEVE THIS ISSUE IS SIMPLY AESTHETICS. FOUR-HUNDRED FOOT TOWERS CHANGE THE LANDSCAPE BIG-TIME. HOWEVER THESE WIND TURBINES TAKE VERY LITTLE FARMLAND OUT OF PRODUCTION ONCE COMPLETED. BASICALLY THE CENTER PYLON WHICH IS USUALLY ABOUT 15 FEET IN DIAMETER IS ALL THAT INTERFERES WITH FARMING. I THINK THE REPORT YOUR SISTER HEARD REFERRED TO HOW TURBINES ARE SPACED. TO UTILIZE THE WIND, TOWERS NEED TO BE SEPARATED BY A DISTANCE 3-5 TIMES THE ROTOR DIAMETER OR APPROXIMATELY 1200-1500 FEET. THE AREA AROUND EACH TURBINE WOULD BE ABOUT 10-12 ACRES. ON 100 ACRES, THEN, A FARMER COULD CONTRACT FOR NO MORE THAN ABOUT 10 TURBINES. NOT ONLY IS FARMING COMPATIBLE WITH WIND ENERGY, FARMERS TEND TO BE THE BIGGEST BOOSTER, AS THE STANDARD ANNUAL COMPENSATION FOR A TURBINE IS ABOUT \$4000. STILL, I EXPECT TO SEE PICTURES FLYING AROUND THE INTERNET IN THE FUTURE OF A FARM TRACTOR CRUMPLED UP AGAINST A TURBINE. IF WE CAN RUN INTO IT, SOONER OR LATER - WE WILL. 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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Show #1797

Weekend of January 19, 2008

SENATE BUSINESS: WHEN THE SENATE RETURNS TO WORK NEXT WEEK, IT'LL HAVE A FULL PLATE -- NAMELY THE FARM BILL AND AG SECRETARY CONFIRMATION HEARINGS. PRO FARMER WASHINGTON EDITOR ROGER BERNARD GIVES US LOOK AT THE UPCOMING ACTION.

CRP: SAYING IT'S "JUST TOO LATE", ACTING AG SECRETARY CHUCK CONNER SAYS THERE WILL NOT BE A CHANGE TO THE C-R-P FOR THE 2008 CROP. THERE HAS BEEN SOME PRESSURE ON THE AG DEPARTMENT TO ALLOW FARMERS TO "OPT OUT" EARLY OF THEIR C-R-P CONTRACTS PENALTY FREE. BUT CONNER SAYS THERE WILL BE NO CHANGES TO THE CONSERVATION RESERVE PROGRAM. CONNER SAYS CONTRACTS ENDED ON TWO MILLION ACRES, PUTTING THAT LAND BACK INTO PRODUCTION.

TOBACCO: THE DEPARTMENT OF AGRICULTURE ANNOUNCED MONDAY IT'S SENDING OUT 950-MILLION DOLLARS IN TOBACCO BUY-OUT PAYMENTS. THIS IS THE FOURTH PAYMENT SENT TO TOBACCO FARMERS AND QUOTE HOLDERS. ACCORDING TO THE AG DEPARTMENT, THESE FUNDS HELP TOBACCO FARMERS TRANSITION TO THE FREE MARKET. IN 2004, THE TOBACCO TRANSITION PAYMENTS WERE DEVELOPED AFTER THE FEDERAL TOBACCO MARKETING PROGRAM WAS ELIMINATED. THE PROGRAM WILL END IN 2014.

ROUNDTABLES AT TOP PRODUCER SEMINAR IN CHICAGO WITH AL PELL, MARK GOLD AND JERRY GULKE

JOHN'S WORLD: THE RHETORIC OF THE FARM BILL HAS CHANGED TONE IN THE LAST FEW DAYS. THE POINT MAN FOR THE ADMINISTRATION TOLD FARM LOBBYISTS IN NO UNCERTAIN TERMS THAT UNLESS MAJOR CHANGES WERE ADOPTED BY THE CONFERENCE COMMITTEE THE PRESIDENT WOULD VETO THE BILL. THIS THREAT HAD BEEN FRANKLY SCOFFED AT BY FARM BILL PROPONENTS POINTING OUT THE POLITICAL DAMAGE WOULD BE TOO HIGH FOR REPUBLICANS TO TOLERATE. BUT SUDDENLY ALL THAT HAS CHANGED. WITH THE STOCK MARKET PLUNGING AND BOTH THE CONGRESS AND THE ADMINISTRATION PUSHING MASSIVE STIMULUS EFFORTS FOR THE FALTERING ECONOMY AS THE FEDERAL RESERVE URGES THEM ON, THE RELUCTANCE OF THE AG LOBBY TO STOP SENDING MILLIONS OF TAX DOLLARS TO WEALTHY AMERICANS LOOKS FAR LESS DEFENSIBLE. MUCH OF AMERICA IS FACING A PERIOD OF SHRINKING HOME EQUITY, UNCERTAIN EMPLOYMENT AND PAINFUL INFLATION. FARMERS CAN ARGUE THEY ARE OWED THIS CURRENT BOOM, BUT OUR FLUSH TIMES STAND OUT LIKE A SORE THUMB COMPARED TO OUR OVERALL ECONOMY. FARM INCOME WILL SKYROCKET AGAIN THIS YEAR. MEANWHILE LAND PRICES ARE ON FIRE, CAUSING MAJOR ESTATE PLANNING HEADACHES. ACQUIESCING TO PAYMENT LIMITS MIGHT BE THE SMARTEST MOVE AMERICAN AGRICULTURE COULD MAKE TO PREVENT FAR MORE DRASTIC REDUCTIONS THAT COULD BE DEMANDED BY A MUCH HARDER-PRESSED GENERAL POPULATION.

CLONED ROADS: WE BEGIN IN WASHINGTON WHERE THE FOOD AND DRUG ADMINISTRATION GAVE THE GREEN LIGHT TO FOOD FROM CLONED ANIMALS. THE F-D-A HAS COMPLETED A MASSIVE "RISK ASSESSMENT" STUDY - NEARLY A THOUSAND PAGES IN ALL - CONCLUDING MEAT AND MILK FROM CLONED ANIMALS AND THEIR OFFSPRING ARE AS SAFE AS FOOD FROM ORDINARY ANIMALS. CATTLE, SWINE AND GOATS WERE ALL CLEARED, HOWEVER THE F-D-A SAYS THERE WAS INSUFFICIENT EVIDENCE TO RULE ON THE SAFETY OF CLONED SHEEP. WHILE IT COULD BE YEARS BEFORE FOODS FROM CLONES ENTER THE FOOD CHAIN, THE F-D-A SAID IN THEIR REPORT THAT LABELS WILL NOT BE REQUIRED. HOWEVER IT ACKNOWLEDGES SOME PRODUCERS MAY CHOOSE TO USE LABELS THAT INDICATE A PRODUCT IS "CLONE-FREE" CRITICS, INCLUDING THE NATIONAL FARMERS UNION, ARE NOT PLEASED. N-F-U PRESIDENT TOM BUIS SAYS QUOTE, "IN THE FACE OF EVER-INCREASING FOOD SAFETY CONCERNS, IT IS TROUBLING TO SEE THE F-D-A APPROVAL OF PRODUCTS FROM CLONED ANIMALS..." ALONG WITH THE SAFETY CONCERNS, BUIS SAYS THERE'S NO DATA TO SUGGEST ANY CONSUMER DEMAND FOR SUCH FOODS. LOCAL BUYING: WITH MORE AND MORE CONSUMERS DEMANDING FRESH AND LOCAL FOODS, A GROCERY CHAIN IN VIRGINIA IS HEEDING THE CALL. IN

2007, "FOOD CITY" PURCHASED MORE THAN SIX-MILLION DOLLARS WORTH OF PRODUCE AND LAMB MEAT FROM LOCAL FARMS. LAST JULY, LOCALLY-GROWN PRODUCE ACCOUNTED FOR 17-PERCENT OF TOTAL CORPORATE SALES. THE CHAIN GIVES FULL CREDIT TO GROWERS WHO OVERCAME A SERIOUS DROUGHT TO KEEP THE SUPPLIES COMING... ALONG WITH FRESH PRODUCE, LOCAL GROWERS ALSO SUPPLIED FOOD CITY WITH ALL KINDS OF FALL DECORATIONS...INCLUDING PUMPKINS AND FANCY GOURDS. A GOVERNMENT REPORT CONFIRMED ON WEDNESDAY WHAT MANY OF US ALREADY KNOW - IT COSTS MORE TO PUT FOOD ON OUR TABLES AND FUEL-UP OUR AUTOS. AS A RESULT, INFLATION WAS UP FOUR-POINT-ONE PERCENT IN 2007 -- THAT'S THE HIGHEST ONE YEAR INCREASE IN SEVENTEEN YEARS. MEANWHILE, THE AMERICAN FARM BUREAU RECENTLY RELEASED ITS QUARTERLY REPORT ON RETAIL FOOD PRICES. THE FARM BUREAU SAYS PRICES WERE DOWN SLIGHTLY IN THE LAST THREE MONTHS OF 2007. THE INFORMAL SURVEY SHOWS THE TOTAL COST OF 16-SELECT ITEMS WAS 41-DOLLARS AND 61 CENTS. THAT'S DOWN TWO-42 -- OR ABOUT FIVE PERCENT.

COLONY COLLAPSE: IT WAS JUST ABOUT A YEAR AGO WHEN WE FIRST STARTED TO HEAR ABOUT WIDESPREAD PROBLEMS WITH DYING BEEHIVES. SCIENTISTS DIAGNOSED THE PROBLEM AS "COLONY COLLAPSE DISORDER", WHEN HONEYBEES WERE DYING FOR UNEXPLAINED REASONS. RESEARCHERS HAVE MADE SOME PROGRESS, BUT ARE STILL BAFFLED AS TO THE CAUSE OF C-C-D THAT KILLED MILLIONS OF BEES. THE CALIFORNIA FARM BUREAU SAYS AS THE ALMOND POLLINATION SEASON APPROACHES, BEEHIVES ARE BEING TRUCKED INTO STATE. THE STATES' ALMOND CROP USES MORE THAN HALF OF ALL OF THE NATION'S HONEYBEE POPULATIONS IN FEBRUARY. ENTOMOLOGISTS SAY IT APPEARS THAT FEWER HIVES HAVE SUFFERED THE DISORDER THIS YEAR.

CA PROPERTY RIGHTS: CALIFORNIA VOTERS WILL GET THE CHANCE TO DECIDE ON A CONSTITUTIONAL AMENDMENT TO PROTECT FARM LAND FROM EMINENT DOMAIN. THE SECRETARY OF STATE SAYS THE "CALIFORNIA PROPERTY OWNERS AND FARMLAND PROTECTION ACT" HAS QUALIFIED FOR THE BALLOT FOR A JUNE ELECTION. THE MEASURE WOULD REFORM GOVERNMENT'S ABILITY TO SEIZE PRIVATE PROPERTY FOR PROJECTS, LIKE SHOPPING MALLS AND HOUSING. IT WOULD, HOWEVER, STILL ALLOW FOR PUBLIC PROJECTS, LIKE HIGHWAYS.

SPIRIT OF THE HEARTLAND: IT WASN'T ALL THAT LONG AGO THAT A MAJESTIC BIRD FACED NEAR EXTINCTION...BUT NOW, THE BALD EAGLE POPULATION IS ONCE AGAIN THRIVING. EVERY YEAR THOUSANDS OF EAGLES PUSH DOWN THROUGH IOWA DURING THE WINTER SEASON...GIVE BIRD WATCHERS PLENTY OF OPPORTUNITY TO WATCH THEM SOAR. IN THIS REPORT FROM THE IOWA DEPARTMENT OF NATURAL RESOURCES, JOE WILKINSON BRAVES THE COLD TO GIVE US ALL A LOOK AT THESE BEAUTIFUL BIRDS. JOE TELLS US THERE ARE A NUMBER OF BALD EAGLE "WATCHES" HELD EACH WINTER ACROSS THE MIDWEST - INCLUDING SOME THIS VERY WEEKEND - ALONG THE MISSISSIPPI RIVER AND IOWA'S MAJOR RESERVOIRS. TO FIND OUT WHERE AND WHEN, HEAD ONLINE TO "MISS-RIVER-DOT-ORG" OR CALL THE IOWA D-N-R AT 515-432-2823. WE'LL BE SURE TO POST THAT INFORMATION ON OUR WEB SITE FOR EASY ACCESS.

TOP PRODUCER: OVER THE PAST TWO WEEKS YOU'VE MET TWO FINALISTS FOR THE "TOP PRODUCER OF THE YEAR" AWARD FROM TOP PRODUCER MAGAZINE. TODAY, WE MEET THE WINNER. ANNOUNCED THURSDAY NIGHT IN CHICAGO AT THE 2008 TOP PRODUCER SEMINAR - DAVE MINICH OF LOGANSPORT, INDIANA PICKED UP THE PRIZE. AS SCOTT KINRADE REPORTS, ALONG WITH BEING A FIRST-CLASS FARMER, MINICH IS ONE OF THE BEST MANAGERS OUT THERE. CONGRATULATIONS DAVE...AND CONGRATULATIONS TO THE OTHER TWO FINALISTS FOR THIS YEAR'S PRIZE - "SHATTO MILK COMPANY" OF OSBORN, MISSOURI AND STAR ROCK FARMS IN CONESTOGA, PENNSYLVANIA. ONE FINAL NOTE - YOU CAN READ MORE ABOUT MINICH FARMS IN THE MARCH ISSUE OF TOP PRODUCER MAGAZINE.

TRACTOR TALES: WELCOME BACK...WE'RE GOING WAY BACK IN TIME FOR TODAY'S TRACTOR TALES AS WE GET THE STORY BEHIND A WOOD-BURNING ENGINE BUILT NEARLY 140 YEARS AGO. WE SPOTTED THIS RELIC AT THE COUNTY FAIR IN CONNOR PRAIRIE, INDIANA.

CHURCH SALUTE: OUR COUNTRY CHURCH SALUTE THIS WEEK IS A FOND GOODBYE TO THE HOLY MARTYRS OF GORCUM CATHOLIC CHURCH IN GREEN BAY, WISCONSIN. THE NAME DERIVES FROM VICTIMS OF RELIGIOUS PERSECUTION IN GORKUM, HOLLAND WHO WERE BEATIFIED IN 1865. THE CHURCH WAS MERGED SEVERAL YEARS AGO WITH NEARBY HOLY TRINITY TO FORM A NEW CONGREGATION - PRINCE OF PEACE. DOROTHY ZUIDMULDER TELLS US THE CHURCH BEGAN ON LAND DONATED BY PETER FINGER AFTER INITIAL MASSES IN HIS HOME PRIOR TO 1858. IN 1883 HOLY MARTYRS WAS CONSTRUCTED AND SERVED AS THE HOME TO THE CONGREGATION UNTIL THE RECENT CONSOLIDATION. DOROTHY NOTES THE CHURCH WAS KNOWN FOR ITS CHURCH PICNIC WHERE IT SERVED ITS SIGNATURE DISH: CHICKEN BOOYAH - A HEARTY CHICKEN STEW ASSOCIATED WITH

BELGIAN IMMIGRANTS FOUND ONLY IN THIS AREA OF WISCONSIN. DOROTHY'S FAMILY ATTENDED HOLY MARTYRS SINCE 1901, AND SHE NOTES POIGNANTLY, "WE WILL MISS OUR OLD CHURCH." I HAVE NOTICED MORE CHURCHES LIKE DOROTHY'S ARE USING OUR COUNTRY CHURCH SALUTE TO HONOR THE MELANCHOLY TRANSITION TO A NEW CONGREGATION. WE'D LIKE TO HELP YOU NOTE THIS PASSAGE.

MAIL BAG: TIME NOW FOR OUR WEEKLY LOOK INSIDE THE FARM REPORT MAIL BAG...WELL, MY COMMENTS ON WIND FARMS TOUCHED OFF CONSIDERABLE INTEREST ACROSS OUR VIEWERS. I THINK THE MENTION OF ANNUAL PAYMENTS OF AROUND \$4000 PER TURBINE CAUGHT MANY RURAL LANDOWNERS ATTENTION. WE HAVE RECEIVED MANY REQUESTS FOR INFORMATION TO BE MAILED TO INTERESTED VIEWERS. UNFORTUNATELY, NOT ONLY DO WE NOT HAVE SUCH INFORMATION - WE ARE NOT IN THE WIND ENERGY BUSINESS - IT IS BECOMING INCREASINGLY THE CASE THAT COMPLEX TECHNICAL INFORMATION IS NOT DELIVERED BY EXPENSIVE PRINT THROUGH THE MAIL. WHAT WE CAN DO IS GIVE THESE TELEPHONE NUMBERS, BUT FRANKLY, ALTHOUGH MANY OF YOU RESENT THE GROWING PUSH TO ONLINE RESOURCES, THE INTERNET IS BY FAR YOUR BEST SOURCE OF INFORMATION ON THIS OR MANY OTHER SUBJECTS. PLEASE VISIT YOUR LOCAL LIBRARY FOR HELP. BESIDES THESE TELEPHONE NUMBERS, I AM POSTING A WIDE ARRAY OF LINKS TO WEBSITES THAT CAN SHOW YOU IF YOUR PROPERTY IS SUITABLE FOR WIND ENERGY, AND WHERE WIND PROJECTS ARE BEING CONSTRUCTED OR PLANNED. SOME WILL EXPLAIN THE BASICS OF WIND ENERGY AND OUTLINE THE COSTS AND PROBLEMS. I WILL EVEN POST LINKS TO SITES OPPOSING THE DEVELOPMENT TO WIND POWER. ALTHOUGH WIND ENERGY SEEMS TO BE A GREAT SOURCE OF CLEAN, RENEWABLE ENERGY, IT IS NOT WITHOUT ITS VOCIFEROUS OPPONENTS. THE TURBINES THEMSELVES ARE HUGE AND MANY WORRY ABOUT THE EFFECT OF WILDLIFE. I THINK THESE CONCERNS ARE OVERRATED AND IF THE EXPERIENCE IN DENMARK - WHO LED THE WORLD IN WIND DEVELOPMENT IS ANY EXAMPLE - FOLKS SOON BECOME ACCUSTOMED TO THE CHANGE IN SCENERY. GOOD LUCK WITH YOUR RESEARCH!

U.S. FARM REPORT

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Show #1798

Weekend of January 26, 2008

ANDERSONS: ONE OF THE BIGGER ELEVATOR PLAYERS IN THE EASTERN CORN BELT IS CHANGING THE WAY IT DOES BUSINESS...DIRECTLY RELATED TO THE SURGE IN PRICES OVER THE PAST SIX MONTHS. ACCORDING TO A NOTICE ON ITS WEB SITE, THE ANDERSON'S WILL NOT OFFER HEDGE-TO-ARRIVE CONTRACTS FOR CORN AND SOYBEANS DELIVERED SEPTEMBER OF THIS YEAR THROUGH AUGUST OF 2009. BARRING A CHANGE IN MARKET CONDITIONS, THE COMPANY SAYS IT WILL ONLY PURCHASE GRAIN VIA "FLAT PRICE" AND "BASIS". FOR SEPTEMBER 2009 AND BEYOND, THE ANDERSON'S WILL ONLY OFFER BASIS CONTRACTS, WITH NO HTA OR FLAT PRICE CONTRACTS ON THE TABLE.

LIVESTOCK-COMMODITY: LIVESTOCK PRODUCERS HAVE ALSO BEEN HIT HARD BY THE BULL MARKET FOR GRAINS...WITH FEED COSTS SOARING TO PROFIT-BUSTING LEVELS. AS PRO FARMER WASHINGTON EDITOR ROGER BERNARD EXPLAINS, DON'T EXPECT GOVERNMENT INTERVENTION ANYTIME SOON.

INDONESIA BEEF: MARKET CONDITIONS DID IMPROVE THIS WEEK WITH NEWS THAT TWO MORE NATIONS ARE NOW ALLOWING FULL ACCESS TO AMERICAN BEEF. ACTING AG SECRETARY CHUCK CONNER SAYS INDONESIA AND BARBADOES HAVE FULLY COMPLIED WITH INTERNATIONAL TRADE STANDARDS FOR ALLOWING U.S. BEEF OF ALL AGES INTO THEIR PORTS. CONNER SAYS INDONESIA SETS THE STANDARD FOR ASIAN NATIONS, AND HE HOPES OTHER COUNTRIES FOLLOW SUIT. U.S. TRADE OFFICIALS ARE DEMANDING FULL ACCESS TO JAPAN'S MARKETS, WHICH BANNED AMERICAN BEEF FOLLOWING THE DISCOVERY OF A SINGLE CASE OF BSE IN 2003.

MACHINERY SALES: AS EXPECTED, 2007 TURNED OUT TO BE A STRONG YEAR FOR THE FARM EQUIPMENT MARKET. ACCORDING TO THE ASSOCIATION OF EQUIPMENT MANUFACTURERS, TOTAL SALES OF TRACTORS AND COMBINES CAME IN JUST UNDER 15-BILLION DOLLARS LAST YEAR...REPRESENTING AN INCREASE OF 670-MILLION DOLLARS OVER 2006. SALES OF FOUR-WHEEL DRIVE TRACTORS WERE UP 22% FOR THE YEAR...WHILE COMBINE SALES CLIMBED 15%.

DEERE ETHANOL: FOR THOSE OF YOU GROWING CORN FOR FUEL, THERE'S A NEW RISK MANAGEMENT TOOL ON THE TABLE. CALLING IT AN INDUSTRY FIRST, JOHN DEERE RISK PROTECTION SAYS THEIR NEW "ETHANOL POLICY" WILL COVER PRODUCERS WHO HAVE DELIVERY CONTRACTS TARGETED FOR ETHANOL PRODUCTION. THE POLICY INSURES YIELD SHORTFALLS BELOW CONTRACTED VOLUMES IF THE PRICE TO REPLACE THE CORN RISES ABOVE FEDERAL CROP INSURANCE COVERAGE. IN ADDITION, THE POLICY WILL REQUIRE THE ETHANOL PRODUCTION FACILITY TO FIND REPLACEMENT BUSHELLS ON THEIR OWN. THE POLICY WILL LAUNCH IN TEN STATES - IOWA, ILLINOIS, INDIANA, KANSAS, MINNESOTA, MISSOURI, NEBRASKA, OHIO, SOUTH DAKOTA AND WISCONSIN.

ROUNDTABLES: GREG WAGNER & BRIAN BASTING

JOHN'S WORLD: THE STUNNING LEAP IN GRAIN PRICES DOESN'T MERELY MEAN HAPPY GRAIN PRODUCERS AND NEW PICKUPS IN FARM COUNTRY. SOME OF THE UNLOOKED-FOR COMPLICATIONS WERE REVEALED THIS WEEK AS THE ANDERSONS - A MAJOR REGIONAL GRAIN MERCHANT - SHARPLY DECEASED THE TYPES OF PRICING CONTRACTS IT WOULD OFFER. THE DRIVING FORCE IS A MARKED CHANGE IN THE NATURE OF GRAIN TRADING AT OUR COMMODITY EXCHANGES. RAPID PRICE INCREASES AND HIGHLY VOLATILE TRADING ARE ATTRACTING SPECULATIVE MONEY FROM SOURCES THAT WOULD OTHERWISE BE FOLLOWING STOCK MARKET RUMORS OR CURRENCY SWAPS. AS A RESULT, OUR EXCHANGES ARE FUNCTIONING LESS AS RISK AND HEDGING MARKETS AND MORE AS INVESTMENT VEHICLES FOR VERY LARGE TRADERS. WHILE THE HUGE SUMS OF MONEY HAVE DRIVEN PRICES UPWARD, IT HAS COMPLICATED LIFE FOR MUCH OF THE GRAIN TRADE. THE AMOUNT OF MONEY NEEDED TO MAKE THE DOWN PAYMENT - THE MARGIN - ON FUTURES CONTRACTS HAS SKYROCKETED PAST THE ABILITY OF SMALL ELEVATORS TO FUND. EVEN THE LARGEST GRAIN BUYERS ARE LOOKING AT UNEXPECTED MILLIONS IN MARGIN CALLS. IT APPEARS ONLY THE STRONGEST PLAYERS MAY BE ABLE TO CONTINUE TO ABSORB MARKETPLACE RISK FOR FARMERS.

THE LESSON I AM TAKING FROM THIS DEVELOPMENT IS SIMPLE. FARMERS WHO TRADE THEIR OWN COMMODITY ACCOUNTS BETTER HAVE CLEAR GOALS AND LIMITS LAID OUT. THEY BETTER HAVE THEIR LENDER FULLY INFORMED. AND THEY BETTER HAVE NERVES OF STEEL. LEAVES ME OUT.

CUBA TRADE: DESPITE A NEARLY 50-YEAR-OLD EMBARGO PREVENTING NEARLY ALL TRADE WITH CUBA, THE UNITED STATES PROVIDES MORE FOOD AND FARM PRODUCTS TO THE COMMUNIST STATE THAN ANY OTHER COUNTRY. ACCORDING TO A DTN REPORT, THE COMMUNIST GOVERNMENT PURCHASED MORE THAN 600-MILLION DOLLARS WORTH OF U.S. AG PRODUCTS LAST YEAR. A LAW PASSED BACK IN 2000 ALLOWS THE CUBANS TO IMPORT FOOD AND AG PRODUCTS WITH DIRECT CASH PAYMENTS. SINCE THAT TIME, ORDERS HAVE TOTALLED MORE THAN TWO-AND-A-HALF BILLION DOLLARS...MAKING THE U.S. ITS TOP FOOD SUPPLIER SINCE 2003.

SAUDI RICE: LOOKING TO BOOST EXPORT BUSINESS TO THE MIDDLE EAST, THE U.S. RICE FEDERATION IS TRYING AN INTERESTING APPROACH IN SAUDI ARABIA. THE ORGANIZATION HAS LAUNCHED A MONTH-LONG PROMOTIONAL CAMPAIGN TARGETING SAUDI WOMEN IN SELECT BEAUTY SALONS. IN CASE YOU CAN'T QUITE MAKE IT OUT -- SHE'S SITTING UNDER A HAIR DRYER...AND ENJOYING THE AROMA OF A BOILING POT OF AMERICAN GROWN RICE. ACCORDING TO THE FEDERATION, CULTURAL ISSUES INHIBIT DIRECT ADVERTISING, BUT THIS CAMPAIGN IS ALLOWED BECAUSE IT TOUTS THE BENEFITS OF RICE AS PART OF A HEALTHY LIFESTYLE. U.S. RICE SALES TO SAUDI ARABIA INCREASED BY NINETY-ONE PERCENT FROM 2006 TO 2007.

LAND VALUES: 2007 WAS A BANNER YEAR FOR FARM-LAND VALUES...AND IT DOESN'T LOOK LIKE THINGS WILL CHANGE MUCH IN 2008. BUT THOSE WHO MONITOR THE SITUATION CLOSELY, A WORD OF CAUTION AS THEY REMEMBER WHAT HAPPENED THE LAST TIME WE SAW THIS PHENOMENAL INCREASE.

WIND ENERGY: RENEWABLE ENERGY - IN THE FORM OF WIND - COULD SEE SOME ROBUST GROWTH IN THE NEXT SEVEN YEARS. DEUTSCHE BANK ANALYSTS SAY THE U.S. WIND ENERGY MARKET IS EXPECTED TO GROW THIRTY PERCENT ANNUALLY UNTIL THE YEAR 2015. IN ADDITION, THEY SAY THE U.S., INDIA AND CHINA ARE THE FASTEST GROWING WIND POWER GENERATION MARKETS IN THE WORLD....SURPASSING EUROPE. TWENTY-FIVE BY TWENTY-FIVE, THE RENEWABLE ENERGY COALITION, SAYS WIND ENERGY IS BECOMING A MORE ATTRACTIVE INVESTMENT OPPORTUNITY.

COFFEE STUDY: THERE'S NEW EVIDENCE TO SUGGEST PREGNANT WOMEN MAY WANT TO PAY CLOSE ATTENTION TO THEIR CAFFEINE INTAKE. A STUDY BY KAISER PERMANENTE SHOWS WOMEN WHO CONSUMED MORE THAN TWO CUPS OF CAFFEINATED COFFEE A DAY, DOUBLED THE RISK FOR MISCARRIAGE. THE STUDY FOUND THE RISK IS THE SAME WHETHER YOU GET YOUR CAFFEINE FROM COFFEE , TEA OR SODAS. RESEARCHERS SAY CAFFEINE CONSTRICTS A MOTHER'S BLOOD VESSELS....WHICH CAN REDUCE BLOOD FLOW TO THE PLACENTA.

SPIRIT OF THE HEARTLAND: A QUESTION FOR YOU...CAN YOU NAME THE LARGEST SWAMP IN THE UNITED STATES??? WELL I'VE GOT THE ANSWER...IT'S THE "ATCHAFALAYA BASIN" - LOCATED IN SOUTH-CENTRAL LOUISIANA WHERE THE ATCHAFALAYA RIVER AND THE GULF OF MEXICO CONVERGE. IN ALL, THE BASIN IS SOME 20 MILES WIDE AND 150 MILES LONG...A MASS EXPANSE OF SWAMPLANDS, BAYOUS AND BACK-WATER LAKES. A WORKPLACE FOR SOME AND A PLAYGROUND FOR OTHERS, THE BASIN HAS LONG BEEN PLAGUED BY WATER QUALITY ISSUES...A PROBLEM SCIENTISTS ARE WORKING TO RESOLVE. IN THIS REPORT FROM THE AG CENTER AT LOUISIANA STATE UNIVERSITY, CRAIG GO-TROW SHOWS US WHAT'S BEING DONE TO PRESERVE THIS ENVIRONMENTAL WONDERLAND. BACK IN 1984 THE ATCHAFALAYA NATIONAL WILDLIFE REFUGE WAS ESTABLISHED TO PROTECT AND PRESERVE A VARIETY OF WILDLIFE SPECIES IN DECLINE...WE'LL POST A LINK ON OUR HOME PAGE TO LEARN MORE. AND FOR THE BEST VIEW OF THIS MASSIVE SWAMP, INTERSTATE 10 ACTUALLY CROSSES THE ENTIRE BASIN - A BRIDGE MORE THAN 18-MILES LONG.

MILK PRODUCTION: WHILE PRICES AT THE MILK CONTINUE TO HOVER AT HIGHER-THAN-NORMAL LEVELS, PRODUCERS ARE DOING THEIR BEST TO PUMP UP SUPPLIES. ACCORDING TO DAIRY TODAY, MILK PRODUCTION IN THE NATION'S TOP 23 DAIRY STATES TOTALED MORE THAN 185-BILLION POUNDS LAST YEAR...UP TWO-PERCENT FROM 2006. AT JUST OVER NINE-MILLION, THE NUMBER OF MILK COWS IS BUILDING AS WELL...UP MORE THAN 107-THOUSAND FROM THE YEAR BEFORE. STATES SEEING THE BIGGEST HERD JUMPS INCLUDE CALIFORNIA, IDAHO, MICHIGAN AND ARIZONA.

MILK PRICES: AS FOR THE HIGH PRICE OF MILK, HERE'S WHERE WE STAND. ACCORDING TO A GOVERNMENT SURVEY, THE PRICE FOR TWO-PERCENT MILK AVERAGED 3-51 A GALLON LAST

YEAR...BUT IN DECEMBER ALONE, THE AVERAGE PRICE SPIKED TO 3-74 A GALLON. JUST ONE YEAR AGO, IN JANUARY OF 2007, TWO-PERCENT COST YOU JUST ABOUT 3-20 A GALLON.

MILK AND LIGHT: HAVE YOU EVER BOUGHT A GALLON OF MILK THAT JUST DIDN'T TASTE QUITE RIGHT? THE FIRST THING TO CHECK, OF COURSE, IS THE EXPIRATION DATE. BUT NOW, SCIENCE SHOWS TOO MUCH OF THE WRONG KIND OF LIGHT CAN BE THE CULPRIT. KENT FADDIS SHOWS US HOW IN THIS REPORT FROM THE UNIVERSITY OF MISSOURI. MARHSALL ALSO REPORTS FLUORESCENT LIGHTS DO NOT DIMINISH THE NUTRITIONAL VALUE OF THEMILK....JUST GIVES IT A BAD TASTE. IN ADDITION, THE PROBLEM SEEMS TO BE CONFINED TO CLEAR CONTAINERS.

TRACTOR TALES: WE HAVE A DOUBLE DOSE OF TRACTOR TALES THIS WEEK...BOTH COMING OUT OF THE BADGER STATE. OUR FIRST MACHINE IS AN OLD JOHN DEERE THAT'S BEEN IN THE SAME FAMILY FOR MORE THAN 50 YEARS.

MORE TRACTOR TALES: AS PROMISED, WE HAVE A SECOND "TRACTOR TALE" FOR YOU THIS MORNING...HERE'S WHAT THE MACHINE LOOKS LIKE NOW...COURTESY OF RICHARD KINNARD OF BRUSSELS, WISCONSIN. RICHARD TELLS US HE IS THE GRANDSON OF THE ORIGINAL OWNER...AND WAS HAPPY TO MAKE SURE THE TRACTOR STAYED IN THE FAMILY. THIS MODEL WAS VERY POPULAR IN ITS DAY - IN FACT, DUE TO ITS EXTREME RELIABILITY, THE ENGLISH MODEL OF THIS SAME MACHINE WAS USED BY LATE SIR EDMUND HILLARY ON HIS EXPEDITION TO THE SOUTH POLE.

COUNTRY CHURCH SALUTE: THIS MORNING OUR COUNTRY CHURCH SALUTE TRAVELS TO DOWNTOWN FORT WORTH, TEXAS, AND THE RIVERSIDE BAPTIST CHURCH. ORGANIZED IN 1904, THE CONGREGATION CELEBRATES THEIR 104TH ANNIVERSARY THIS WEEKEND. FROM THE ORIGINAL GROUP OF 11 THE CHURCH GREW TO 59 BY 1907. DURING THOSE FIRST YEARS THE CHURCH MET IN A BRUSH ARBOR UNTIL A TABERNACLE COULD BE ERECTED IN 1914. BY THE 1930'S MEMBERSHIP HAD SWELLED TO 600. THE CHURCH SPONSORED A NEW CONGREGATION, IMMANUAEL BAPTIST CHURCH, AND BY 1950 MEMBERSHIP HAD GROWN TO A REMARKABLE 2500, PROMPTING THE BUILDING OF A NEW AUDITORIUM. TWO ADDITIONAL SISTER CHURCHES WERE BEGUN AND THE MINISTRY OF THE CHURCH EXPANDED TO A RESCUE MISSION AND A TELEVISION STATION. IN 2004 RIVERSIDE RE-UNITED WITH EMMANUEL BAPTIST. THE CURRENT PASTOR IS KELLY BURTON, THE TWENTY-FIFTH TO SERVE THE CHURCH. WE THANK NAOMI SHELTON FOR THE HISTORY AND PHOTO OF HER 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.

VIEWER MAILBAG: TIME NOW FOR OUR WEEKLY LOOK INSIDE THE FARM REPORT MAIL BAG...BUT TODAY WE HAVE AN EMBARRASSING ADMISSION TO MAKE ABOUT OUR MAILBAG. IT SEEMS WE HAD DEVELOPED A HOLE IN IT, SO TO SPEAK. IN THE PROCESS OF REORGANIZING OUR FARM JOURNAL E-MAIL SYSTEM, THE INFO-AT-USFARMREPORT ACCOUNT WAS MISDIRECTED. THE REGRETTABLE RESULT IS WE BELIEVE MANY IF NOT ALL OF YOUR E-MAILS OF THE LAST TWO MONTHS OR SO HAVE BEEN MISDIRECTED. WE MAY FIND THEM, AND WE MAY NOT, SO HERE IS MY SUGGESTION. PLEASE RESEND ANY E-MAIL TO WHICH I DID NOT REPLY. I ANSWER EVERY E-MAIL PERSONALLY. REMEMBER YOU CAN ALWAYS FIND YOUR MESSAGES IN THE SENT-ITEMS FOLDER OF YOUR E-MAIL PROGRAM. TO THOSE OF YOU WHO HAVE SENT HANDWRITTEN LETTERS, I AM WORKING TO GET CAUGHT UP ON THOSE AS WELL. JAN IS HELPING ME, AND I THINK THE ADULT SUPERVISION COULD BE JUST WHAT I NEED. AND FOR THOSE OF YOU WHO CALL AND SIMPLY SAY "HAVE JOHN CALL ME", THAT PROBABLY ISN'T GOING TO HAPPEN. PLEASE STATE BRIEFLY YOUR QUESTION OR COMMENT AND I WILL TRY TO ADDRESS THOSE OF GENERAL INTEREST HERE IN THE MAILBAG PORTION OF THE SHOW. BUT IF YOU REALLY WANT AN ANSWER, PLEASE USE E-MAIL. OUR MAILBOX IS NOW RE-OPENED AND WE HAVE EXTRA PEOPLE CHECKING IT AS WELL. I AM SORRY FOR THE LAPSE. WE VALUE YOUR FEEDBACK IMMENSELY. NEXT WEEK, IN FACT, WE'LL TAKE A COUPLE FROM THE COMPLAINTS CATEGORY. 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.

U.S. FARM REPORT

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Show #1799

Weekend of February 02, 2008

SCHAFER CONFIRMED: WITH LESS THAN A YEAR LEFT IN OFFICE FOR THE BUSH ADMINISTRATION, THERE'S A NEW MAN IN CHARGE OF THE AG DEPARTMENT. FORMER NORTH DAKOTA GOVERNOR ED SCHAFER WAS SWORN IN TO OFFICE MONDAY...HE REPLACES MIKE JOHANNNS WHO RESIGNED LAST SUMMER TO MAKE A RUN FOR THE SENATE. ON WEDNESDAY, SCHAFER WAS INTRODUCED TO THE USDA STAFF AT THE AG DEPARTMENT HEADQUARTERS IN WASHINGTON.

FARM BILL: SCHAFER MET WITH THE PRESIDENT TO DISCUSS THE FARM BILL. AND WHEN HE LEFT, THE MESSAGE REMAINED THE SAME -- A PRESIDENTIAL VETO UNLESS THERE ARE NO TAX INCREASES. JIM WIESEMAYER, WHO IS WITH INFORMA ECONOMICS AND THE WASHINGTON CONSULTANT FOR PRO FARMER NEWSLETTER GIVES HIS INSIGHT. FARMERS ARE OPERATING UNDER AN EXTENSION OF THE 2002 FARM BILL WHICH EXPIRES MARCH 15TH.

CENSUS OF AG: THE DEADLINE IS DRAWING NEAR FOR FARMERS AND RANCHERS WHO WANT TO TAKE PART IN THIS YEARS CENSUS OF AGRICULTURE. TAKEN EVERY FIVE YEARS, THE CENSUS GETS AN ACCURATE COUNT OF FARMS, RANCHES AND WHO IS OPERATING THEM. THE DEADLINE IS MONDAY FEBRUARY FOURTH. FOR THE FIRST TIME, THE AG DEPARTMENT IS ALSO ALLOWING PRODUCERS TO FILL-OUT THE FORMS ONLINE.

ETHANOL CAPACITY: AN ECONOMIST AT PURDUE SAYS THIS COUNTRY'S CAPACITY TO PRODUCE ETHANOL HAS NOW OUT-GROWN THE CAPACITY TO MARKET THE RENEWABLE FUEL. BY THE END OF THE YEAR, WALLY TYNER SAYS THE U.S. WILL HAVE THE CAPACITY TO PRODUCE THIRTEEN BILLION GALLONS OF ETHANOL, BUT THE MAXIMUM AMOUNT OF ETHANOL THE MARKET CAN HANDLE IS TWELVE BILLION GALLONS - PERHAPS CONSIDERABLY LESS. TYNER SAYS WE'LL SEE SOME CHANGES TO THE ETHANOL MARKET THIS YEAR - SOME PLANTS WILL REDUCE PRODUCTION OR CLOSE ALTOGETHER, SOME ETHANOL MAY HAVE TO BE EXPORTED, AND THE PRICE WILL PROBABLY FALL.

ROUNDTABLE: AL PELL WITH JOHN PHIPPS AND JIM HEMMINGER

JOHN'S WORLD: AS I HAVE MENTIONED NUMEROUS TIMES THESE PAST FEW MONTHS, OUR GRAIN MARKETS HAVE BEEN A NONSTOP SURPRISE FOR ME FOR MORE THAN A YEAR NOW. LOOKING BACK OVER MY NOTES SCRIBBLED IN 2006, \$5 CORN AND \$12 BEANS WERE NOT EVEN ON MY MOST DISTANT RADAR. BUT ONCE WE STOP HYPERVENTILATING, IT MIGHT BEHOOVE US IN THE GRAIN INDUSTRY TO REFLECT WHAT THOSE NUMBERS TRULY REPRESENT. I THINK THE MARKET IS SAYING FOR THE FIRST TIME IN LIVING MEMORY, THAT DEMAND FOR OUTPUT FROM OUR FARMS IS VERY CLOSE TO SUPPLY CAPACITY - AND NOT BECAUSE OF A SUPPLY HICCUP LIKE A DROUGHT, OR A CROP FAILURE OVERSEAS. THE IMPLICATION IS ANY EVEN MINOR FAILURE ON OUR FARMS - WHETHER DUE TO WEATHER OR BAD JUDGEMENT - WILL BE DIFFICULT TO ADJUST FOR. IT'S NOT JUST RAZOR-THIN MARGINS AT NEW ETHANOL PLANTS OR HARD-PRESSED LIVESTOCK FEEDERS WHO CANNOT WITHSTAND A SHORT CROP. INDEED, IF WE DON'T COME UP WITH NEAR RECORD PRODUCTION HUNDREDS OF MILLIONS OF POEPLER AROUND THE WORLD WILL BE PUSHED CLOSER TO HUNGER. WE NEED TO GROW NOT JUST FOR OUR BOTTOM LINES BUT TO FULFILL PROMISES WE HAVE MADE TO CUSTOMERS AT HOME AND ABROAD. ONLY OUR BEST EFFORT WILL SUFFICE. THEY SAY ONE TRICK TO BEING HAPPY IS TO DANCE LIKE NOBODY'S LOOKING. AND HAVING WATCHED FARMERS DANCE, I'D SAY THIS IS GOOD ADVICE. BUT THIS YEAR, IN ORDER TO MAKE SURE OUR CUSTOMERS HAVE A CHANCE FOR HAPPINESS, WE'D BETTER GROW LIKE THE WHOLE WORLD IS WATCHING.

CATTLE CRUELTY: JUST DAYS INTO HIS NEW JOB, AGRICULTURE SECRETARY ED SCHAFER WAS DEALING WITH ALLEGATIONS OF ABUSE TO CATTLE TOO SICK OR WEAK TO STAND. BUT TO MAKE MATTERS WORSE, THE ABUSE TOOK PLACE AT A SLAUGHTERHOUSE THAT SUPPLIES MEAT TO FEDERAL SCHOOL LUNCH AND NUTRITION PROGRAMS. THE HUMANE SOCIETY RELEASED VIDEO FOOTAGE FROM AN UNDERCOVER INVESTIGATION SHOWING "DOWNER" CATTLE BEING ROLLED BY FORKLIFTS AND OTHERS RECEIVING HIGH PRESSURE WATER SPRAYED IN THEIR NOSES -- VIOLATIONS

OF STATE AND FEDERAL LAWS. THE USDA PROHIBITS DOWNED CATTLE FROM ENTERING THE FOOD SUPPLY. THE COMPANY - WESTLAND MEAT - SAYS TWO EMPLOYEES SEEN ON THE VIDEO HAVE BEEN FIRED AND THEIR SUPERVISOR SUSPENDED. SECRETARY SCHAFER PROMISES A FULL INVESTIGATION.

IOWA ETHANOL USE: IN OTHER NEWS THIS WEEK - NUMBERS SHOW THE HAWKEYE STATE IS MAKING THE SWITCH TO RENEWABLE FUELS - AND IN A BIG WAY. ALREADY THE NATION'S LEADER IN ETHANOL PRODUCTION, ETHANOL SALES REACHED NEARLY THREE-QUARTERS OF THE ENTIRE GAS MARKET IN IOWA LAST YEAR. ACCORDING TO THE IOWA RENEWABLE FUELS ASSOCIATION, CONSUMERS CHOSE E-10 SEVENTY-FOUR PERCENT OF THE TIME WHEN THEY WENT TO FILL THEIR TANKS...UP FIVE POINTS FROM 2006. A PRIMARY REASON - E-10 IS TEN TO THIRTEEN CENTS CHEAPER A GALLON THAN STANDARD GAS. IN ALL, IOWA HAS TWENTY-EIGHT ETHANOL REFINERIES WITH THE CAPACITY TO PRODUCE NEARLY 2.1 BILLION GALLONS ANNUALLY.

CELLULOSIC RACING: FOR YOU RACING FANS...WHEN THE GREEN FLAG GOES DOWN ON THE AMERICAN LEMANS SERIES THIS SEASON, THE HIGH PERFORMANCE CARS WILL BE RUNNING ON GREENER FUEL. ACCORDING TO THE ETHANOL PROMOTION AND INFORMATION COUNCIL, CELLULOSIC E-85 WILL BE USED TO FUEL THE LEMANS CARS AT THE SEASONS FIRST RACE IN FLORIDA. CELLULOSIC IS MADE FROM CITRUS, SWITCHGRASS AND IN THE CASE OF THIS FUEL, WASTE WOOD. IT'S PRODUCED BY K-L PROCESS GROUP OF RAPID CITY, SOUTH DAKOTA, WHICH OWNS THE FIRST SMALL-SCALE COMMERCIAL FACILITY IN THE U.S. YOU MAY REMEMBER LAST MAY, INDY 500 CARS RAN FOR THE FIRST TIME ON CORN-BASED ETHANOL.

HERSHEY HIKE: WITH VALENTINES DAY AND EASTER JUST AROUND THE CORNER, ONE OF THE BIGGEST CANDY MAKERS IN THE COUNTRY IS RAISING ITS PRICES. HERSHEY SAYS IT WILL HIKE THE PRICE OF STANDARD CHOCOLATE BARS, KING-SIZED BARS AND THE COMPANY'S VENDING LINE. CITING THE RISING PRICE OF ENERGY AND COMMODITIES, COMPANY OFFICIALS SAY THEY ARE NOW FORCED TO PASS THOSE INCREASES ON TO THE CONSUMER. THIS IS THE SECOND TIME IN A YEAR THE CANDY MAKER HAS RAISED PRICES.

TASTY TOMATOES: THE BAD THING ABOUT "HOT-HOUSE" TOMATOES -- THEY OFTEN LACK A SWEET TASTE. BUT UNIVERSITY OF FLORIDA RESEACHERS THINK THEY CAN CHANGE THAT. UF RESEARCHERS HAVE DEVELOPED A NEW TOMATO VARIETY THAT CONTAINS A HIGH LEVEL OF SUGAR AND RED PIGMENT - IT'S CALLED TASTI-LEE. RESEARCHERS SAY THE SUGAR IN THIS VARIETY IS CONSISTENTLY FLAVORFUL, AND ALSO HAS A HIGHER HEALTH VALUE OF LYCOPENE, WHICH HELPS PREVENT CERTAIN CANCERS. "I'VE NEVER HAD A TOMATO BE SO CONSISTENT LIKE THE TASTI-LEE AND THAT'S REALLY THE STRENGTH OF THE TOMATO. IT'S ALMOST ALWAYS SIGNIFICANTLY BETTER THAN THE STANDARD TOMATOES WHICH IT IS COMPARED TO," SAID JAY SCOTT, UNIVERSITY OF FLORIDA TOMATO BREEDER. SCOTT SAYS SHOPPERS ALL TOO OFTEN PAY MORE FOR TOMATOES THAT LOOK GOOD, BUT LACK FLAVOR. HE SAYS THIS VARIETY OFFERS BETTER FLAVOR AND MORE HEALTHY BENEFITS. IT'LL HIT THE PRODUCE STAND LATER THIS YEAR.

SPIRIT OF THE HEARTLAND: IN 1845, THE IRISH POTATO FAMINE WIPED OUT THE CROP - A STAPLE TO THE FOOD SUPPLY IN IRELAND. THOUSANDS DIED BECAUSE OF FOOD SHORTAGES, WHILE THOUSANDS OF OTHERS FLED TO THE U.S. TO START A NEW LIFE. ONE OF THOSE WAS WILLIAM KIRKLAND. IN THIS REPORT PROVIDED BY THE CALIFORNIA FARM BUREAU, JIM MORRIS SAYS KIRKLAND'S "SPIRIT OF THE HEARTLAND" CONTINUES TODAY -- GENERATIONS LATER. "OH, TOMMY BOYS" POTATOES COME IN ABOUT 30 DIFFERENT VARIETIES, INCLUDING CANDY CANE, CARIBE, ALL-BLUE AND ALL-RED. WE'LL POST A LINK ON OUR WEBSITE FOR MORE INFORMATION.

DISASTER PAYMENTS: HELP IS ON THE WAY FOR FARMS AND RANCHES HIT HARD BY NATURAL DISASTERS. THIS WEEK THE AG DEPARTMENT ANNOUNCED PRODUCERS WHO SUFFERED LOSSES IN 2007 CAN NOW APPLY TO RECEIVE DISASTER PAYMENTS. JUST LAST MONTH A SPENDING BILL SIGNED BY PRESIDENT BUSH WAS AMENDED TO HELP FARMERS WHO SUFFERED LOSSES AFTER FEBRUARY 28TH. SPECIFICALLY, IT WAS ADJUSTED TO HELP SOUTHEAST FARMERS WHO SUFFERED THROUGH DROUGHT OF HISTORIC PROPORTIONS. THE FUNDING ALSO ALLOWS THE MILK PRICE SUPPORT PROGRAM TO CONTINUE UNDER CURRENT LEVELS.

GROWER NETWORK: KEEPING PEOPLE AND PROFITS IN RURAL AMERICA IS A NEVER-ENDING CHALLENGE FOR THE DEPARTMENT OF AGRICULTURE. IT'S NOT EASY - BUT INNOVATIVE PROGRAMS ARE MAKING A DIFFERENCE. IN THIS REPORT FROM THE USDA, PAT O'LEARY LOOKS AT ONE SUCH INITIATIVE THAT'S CREATING OPPORTUNITIES IN THIS COUNTRY - AND ABROAD.

TRACTOR TALES: "TRACTOR TALES" THIS WEEK COMES TO US FROM THE GREAT STATE OF GEORGIA AS A COLLECTOR TELLS US ALL ABOUT AN OLD FARM-ALL "H"...

COUNTRY CHURCH SALUTE: THE FIRST BAPTIST CHURCH IN ASH GROVE, MISSOURI IS THE FOCUS OF OUR COUNTRY CHURCH SALUTE THIS MORNING. IN 1833 A TRAVELING PREACHER, WILLIAM TATUM CAME TO BOONE TOWNSHIP TO VISIT HIS BROTHER AND PREACHED THE FIRST SERMON IN A LOG CABIN HOME. SERVICES CONTINUED IN HOMES AND THE LOCAL SCHOOLHOUSE UNTIL 1859 WHEN ELM SPRINGS BAPTIST CHURCH WAS ORGANIZED. IN 1871 AFTER THE CIVIL WAR, THE FIRST TRUE CHURCH BUILDING WAS ERECTED IN WHAT HAD BECOME KNOWN AS ASH GROVE. THIS BUILDING WAS REPLACED IN 1928 AND AGAIN IN 1966 AS THE CONGREGATION GREW AND THEIR MINISTRY ADAPTED TO THE NEEDS OF THE COMMUNITY. IN 1972 A NEW ACTIVITIES BUILDING WAS ADDED AS WELL. THE CURRENT PASTOR IS REV. GENE MARCUM. THE HISTORY AND PHOTOS WERE SUPPLIED BY DORRIS MURRAY, A FORMER CHURCH SECRETARY. 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 MAILBAG: TIME NOW FOR OUR WEEKLY LOOK INSIDE THE FARM REPORT MAIL BAG...THIS WEEK SOME DIFFERING OPINIONS FROM OUR VIEWERS: SHIRLEY FISHER FROM PENNSYLVANIA WRITES ABOUT HER BROTHER WHO INHERITED THE FAMILY FARM: "HER BROTHER IS A DAIRY FARMER IN PENNSYLVANIA, HE IS 67 YEARS OLD AND HAD INHERITED THE FARM. THE TAXES ON IT ARE TAKING EVERY PENNY HE MAKES. JOHN'S STATEMENT ABOUT THE FARMERS IS GROSSLY INCORRECT FOR SOME FARMERS. HE IS NOT RICH AND CAN BARELY MAKE IT WITH WHAT HE HAS." SHIRLEY, THANKS FOR WRITING AND FOR DEFENDING YOUR BROTHER. SOME QUICK POINTS: I'M GUESSING ONE REASON THE TAXES ARE SO HIGH ON YOUR FAMILY'S FARM IS DAIRY FARMS IN PENNSYLVANIA ARE SELLING FOR UP TO 10,000 DOLLARS AN ACRE ACCORDING TO A FRIEND OF MINE FARMING THERE, WHICH USUALLY MEANS HIGH PROPERTY TAXES. WHILE THE FARM IS LIKELY QUITE VALUABLE, FEED AND ENERGY PRICES ARE CRIMPING DAIRY PROFITS. I TRY TO RESTRICT MY COMMENTS TO MY FARM AND GRAIN FARMERS LIKE ME, AND IN 2007 MY PROFIT MARGIN WAS TRIPLE MY HIGHEST YEAR. THIS IS DIFFICULT TO HEAR WHEN YOU ARE STRUGGLING AND I CAN APPRECIATE YOUR BROTHER'S RESENTMENT, BUT IT IS TRUE NONETHELESS, WHICH IS WHY I HOPE HE WILL JOIN ME TO SUPPORT REFORM EFFORTS TO STOP HANDING TAX MONEY TO THE PROSPEROUS FARMERS LIKE ME. AND THIS BRISK COMMENT: "PLEASE QUIT USING ALL CAPITALS ON QUOTATIONS. IT IS HARD TO READ AND NOT CORRECT. IF YOU NEED TO GO BACK TO SCHOOL TO LEARN HOW TO PROPERLY QUOTE A QUOTATION THAT IS FINE WITH ME." OKAY. THANKS FOR THE CORRECTION. FEEL FREE TO CONTACT US DIRECTLY SEND EMAILS TO INFO@USFARMREPORT.COM OR CALL US TOLL FREE AT 800.792.4329.

U.S. FARM REPORT

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Weekend of February 09, 2008

FARM BILL VETO: WITH THE CEREMONIAL SWEARING-IN OF THE NEW AGRICULTURE SECRETARY AS A BACKDROP, PRESIDENT BUSH GAVE A VERY DIRECT MESSAGE TO LAWMAKERS WORKING ON THE FARM BILL. THE PRESIDENT SAYS HE WILL VETO THE MEASURE IF IT CONTAINS WHAT THE WHITE HOUSE CONSIDERS TAX INCREASES AND LACK OF REFORM. PRESIDENT BUSH SAYS NEW AG SECRETARY ED SCHAFER WILL WORK WITH MEMBERS OF BOTH PARTIES TO WORK OUT THE DIFFERENCES. SENATE AG COMMITTEE CHAIRMAN TOM HARKIN SAID THE PRESIDENT'S VETO THREAT IS UNPRODUCTIVE AND AGAINST THE BI-PARTISAN SPIRIT THAT GOT THE FARM BILL THIS FAR.

WHEAT LIMITS: THE BULL MARKET FOR WHEAT IS FORCING CHANGE IN THE PIT. STARTING FEBRUARY 12TH...NEXT TUESDAY...THE MINNEAPOLIS GRAIN EXCHANGE WILL RAISE ITS DAILY TRADING LIMIT FOR WHEAT FROM 30 TO 40 CENTS. BOTH THE CHICAGO BOARD OF TRADE AND THE KANSAS CITY BOARD OF TRADE ARE ALSO MAKING A SIMILAR MOVE...BUT HAVE YET TO RECEIVE APPROVAL FROM THE COMMODITY FUTURES TRADING COMMISSION.

WORLD COTTON: IT APPEARS 2008 WILL BE A REPEAT OF 2007 WHEN IT COMES TO U.S. COTTON PRODUCTION -- PLANTED ACRES WILL BE DOWN. ACCORDING TO THE NATIONAL COTTON COUNCIL, WORLD COTTON PRODUCTION WILL NEED TO STEP-UP TO MEET THE GLOBAL DEMAND FOR FIBER. THE AG DEPARTMENT SAYS COTTON WORLD STOCKS WERE AT MINIMAL LEVELS AT THE END OF THE SEASON. "ON THE FOREIGN SIDE, WE'LL NEED TO SEE EVEN HIGHER PRODUCTION BECAUSE ANALYSTS EXPECT LOWER PRODUCTION IN THE U.S. WE REALLY NEED TO SEE WORLD PRODUCTION RISE SOMETHING ON THE ORDER OF EIGHT TO NINE MILLION BALES," SAID CAROL SKELLY, FIBERS ANALYST FOR THE USDA. SKELLY PREDICTS MILL USE WILL REMAIN STRONG IN 2008. TWO THIRDS OF WORLD COTTON CONSUMPTION IS IN CHINA, INDIA AND PAKISTAN...AND SKELLY EXPECTS THAT GROWTH TO CONTINUE.

BRUCELLOSIS: FOR THE FIRST TIME IN SEVENTY-FOUR YEARS, ALL OF THE UNITED STATES AND ITS TERRITORIES ARE CONSIDERED FREE OF BRUCELLOSIS. THE DEPARTMENT OF AGRICULTURE ANNOUNCED THE FIFTY STATES, PUERTO RICO AND THE VIRGIN ISLANDS HAVE ACHIEVED "CLASS FREE" STATUS. TEXAS WAS THE LAST STATE TO EARN THE DECLARATION. THE STATUS IS BASED ON FINDING NO KNOWN CASES OF BRUCELLOSIS FOR THE PREVIOUS TWELVE MONTHS. THE USDA SAYS THERE'S STILL A CONCERN ABOUT BRUCELLOSIS IN FREE-RANGING BISON AND ELK IN YELLOWSTONE NATIONAL PARK. BRUCELLOSIS DECREASES MILK PRODUCTION AND CAN CAUSE INFERTILITY.

ROUNDTABLES: GREGG HUNT, MIKE FLOREZ AND AL PELL

JOHN'S WORLD: FEBRUARY IS A MONTH OF CONFLICTING EMOTIONS FOR MANY FARMERS. FOR EXAMPLE, BECAUSE IT IS ONE OF THE COLDEST MONTHS, RURAL ROADS ARE OFTEN FROZEN HARD, AND HEAVY GRAIN TRUCKS DO MINIMAL DAMAGE HAULING GRAIN TO THE ELEVATORS. BUT THAT MEANS WORKING IN BITTER WINDS WITH FROZEN EQUIPMENT AND RELUCTANT ENGINES. SO CONTRACTING GRAIN FOR FEBRUARY DELIVERY ALWAYS LOOKS BETTER ON PAPER THAN IN REALITY. THIS IS ALSO TAX TIME FOR FARMERS. IF YOU DERIVE TWO THIRDS OF YOUR INCOME FROM FARMING, YOU DON'T HAVE TO WITHHOLD TAXES FROM INCOME THROUGHOUT THE YEAR. BUT THE WHOLE AMOUNT IS DUE ON MARCH FIRST. SO OFTEN DURING THIS MONTH WE HEAR OUR TAX ADVISOR OR SOFTWARE TELL US: GOOD NEWS - YOU MADE A LOT OF MONEY LAST YEAR. AND THEN: BAD NEWS - HERE IS THE CHECK YOU NEED TO WRITE TO THE IRS. FINALLY, THERE IS VALENTINE'S DAY. COMPARED TO IT, THESE TWO PROBLEMS ARE TRIFLING. THIS IS A CONTRIVED HOLIDAY THAT IF IT IS AN EXCITING DATE ON YOUR CALENDAR, CONTAINS AN ELEMENT OF RISK. IF YOU AND YOUR SIGNIFICANT OTHER HAVE DECIDED TO DOWNPLAY THE WHOLE IDEA, THERE IS A CERTAIN WISTFULNESS OF EXCITEMENT LOST. MY ADVICE: DRESS WARM AND HAUL THE CORN; COUNT YOUR BLESSINGS AND WRITE THE CHECK; BUY A CARD AND TAKE A CHANCE.