

# THE MIDWEST

# BIO-TECH NEWS

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**March, 2010**

## **SOME CROP PRODUCTION COSTS MAY BE LOWER IN 2010**

At this time last year, we provided our traditional review of the crop price and production outlook for the coming year, and the main concerns were about the record high production costs that were expected for 2009. There was also a fair amount of uncertainty about prices, but many folks were making plans based on continued high crop prices and normal yield levels. Of course, our hind-sight is always 20-20, and we now know that the cost projections were right. However, the main events of 2009 were the weather and the unexpected drop in corn and bean prices after harvest. Some folks still have their doubts about the 2009 crop production numbers issued by USDA due to the amount of unharvested corn acreage, but it appears that the poor weather conditions did not hamper yields as much as we thought.

For 2010, the good news for farmers is that crop production costs will likely back down from the highs set in 2009. Based on most of the corn and soybean budgets for the Midwest that I have seen, the main reductions are in fertilizer costs and other fuel-related categories like grain drying. The drying costs for 2009 were unusually high due to the wet fall weather and the late harvest, and most budgets are based on a return to more normal weather and fall moisture levels for 2010. Also, the fertilizer cost declines are a much bigger item for corn than beans, so the overall decline in per-acre corn costs is expected to be about 20 percent, and per-acre bean costs should be about 8-9 percent lower than in 2009.

The costs for other corn and bean crop inputs (including land) are expected to remain at or near their 2009 levels. Based on current cost projections for Illinois farms, the expected production costs are about \$3.50 per bushel on corn and about \$9.50 per bushel on soybeans. The potential downside to the story is that USDA is currently projecting average prices for 2010 corn and beans that are very close to these levels. So, it looks like the margins in crop farming move back to tighter levels for the coming year.

Also, the specialists who assemble these budgets have warned that the cost situation can change, especially if fertilizer or fuel costs rise or fall. For example, if the unusually bad winter weather and cold temperatures that we have experienced over the last two months continues for a while, this may put some pressure on natural gas prices, which then can affect the price of nitrogen fertilizer. In fact, some of the latest fertilizer industry surveys show that prices for dry nitrogen and anhydrous ammonia have increased over the last 3-4 months while other soil nutrient prices have remained steady or declined. Another late spring could also affect costs, especially if any amount of replanting has to be done.

The bottom line is this --- 2010 looks like another year in which controlling costs is probably going to be the key to success in farming. In this issue of the newsletter, we provide some specific ideas on how you can use Chandler Crop Products to help manage production costs while reducing the sources of plant stress and improving crop yields.

## 2009 FIELD REPORTS

One of the things that I enjoy most about attending the winter farm shows is the chance to talk with our users and to meet new folks. It is always fun to get caught up with people and talk about the most recent changes in their family or their business as well as what is going on in their area. This year, a lot of the discussion has focused on the wide range of weather conditions that people experienced around the country. In most areas, planting and harvest were late, but the amount of fall moisture received and the impact of the late season varied a lot.

Perhaps the most consistent comments that we heard were related to the favorable performance of the Chandler Crop Products last year. Although the products are designed to work in good years and bad, the product benefits tend to be easier to see in those crop years with some kind of stress such as cold temperatures, drought, or insect problems. Most of our users told us that they had good seedling emergence, robust plant stands, early maturity and dry-down, and strong yield performance in their corn, soybeans, and other crops during the 2009 crop year.

As we have seen in past years, the folks who had the best product performance tend to be those farmers who have consistently used Chandler Crop Products for at least three years. This is especially true for long-time users of Chandler Soil, which activates the soil microorganisms. If the beneficial microbes in the soil are activated and sustained with Chandler Soil for three or more years, then all of the Chandler Crop Products (Soil, Biocat 1000, Dry Seed Treat, and Foliar) will work more effectively.

Although we wish we could share the details of these user reports with you, we recognize that much of this information was provided to us on a confidential basis. In accordance with our privacy policy (see the statement on the next page), we do not share any identifying information about our users without getting their written or verbal permission in advance.

## CHANDLER SOIL

Chandler Soil is a liquid biological soil conditioner designed to stimulate the beneficial soil microorganisms that improve soil tilth and fertility. As the soil bacteria and other microorganisms become more active, they convert soil nutrients to forms that may be used by the plant. Many of our users have also reduced their fertilizer rates while improving crop yields by applying Chandler Soil.

Also, the increased biological activity in the soil that is generated by Chandler Soil enhances water and air infiltration, reduces soil compaction, encourages deeper root growth, and helps to prevent lodging due to rooting problems. Although most of our users find that it takes 2-3 years to realize the full benefits of Chandler Soil, the product may help your bottom line in the first year of use.

Chandler Soil is non-toxic when used as recommended and is compatible in a tank mix with most commonly used fertilizers and pesticides. However, you should test all new tank mixes for compatibility. The recommended application rate is 10-16 ounces per acre for broadcast spraying, and the higher rates should be used on poorly drained or heavily compacted soils or during the first few years of use. The product can also be sprayed in a band over the seed row at 8-10 ounces per acre. Broadcast or band treatments should be applied with enough water (10-20 gallons per acre) to provide good coverage of the soil, and the product may be applied with newer spray equipment that uses lower water flow rates.

Chandler Soil costs \$7.20-11.50 per acre (depending on the application rate) when broadcast sprayed, and the per-acre cost is \$5.75-\$7.20 when banded over the seed row. You can reduce the per-acre cost of Chandler Soil treatments if you buy the product in larger container sizes (2.5 gallon jugs or 30 gallon drums) or during our Pre-Season Discount Program (which lasts through the end of March, 2010).

## **LATE HARVEST? YOU CAN STILL APPLY BIOCAT 1000**

Chandler Biocat 1000 is a liquid enzyme product that is designed to stimulate the soil organisms that convert residue to available soil nutrients. We typically recommend that you apply Biocat 1000 as soon as possible after harvest in the fall. This provides the soil organisms with as much time as possible before the next crop season to decompose the plant residue. However, we know many farmers were not able to get their usual fall work done due to the unusually late harvest last fall.

Many of our users have also found spring applications of the product to be effective, so it is still possible to apply Biocat 1000 to old crop residue. To highlight the potential benefits, we present the results achieved by one user in a technical paper that is posted at our website ([www.midwestbioman.com](http://www.midwestbioman.com)). By helping to break down residue yet this spring, Biocat 1000 can still provide the full set of product benefits for your 2010 crops.

## **REDUCE YOUR SEED EXPENSES**

Chandler Dry Seed Treat is an enzyme seed treatment that is applied directly to the seed at planting time. Dry Seed Treat enhances germination, root development, and nutrient uptake to promote higher crop yields and improved crop quality. Also, our field test results for the past several years indicate that we can expect harvested plant populations to be higher in fields treated with Chandler Dry Seed Treat.

For example, the corn test results show about 2,000 plants per acre more in treated corn fields. So, you could use Dry Seed Treat to reduce your planted corn population by 2,000 plants per acre and still end up with about the same number of corn plants in the field. Seed corn now costs about \$2-3 per thousand kernels, so this small change in your planting rate would save about \$4-6 per acre, which is far less than the per-acre cost of Dry Seed Treat.

## **SPRING CUSTOMER APPRECIATION DINNERS**

We will host our traditional Appreciation Dinners during March at five locations in Illinois and Iowa. We do not have a formal presentation or meeting, and the schedule is open so you can feel free to arrive at your convenience. We furnish a meal to show our appreciation for your business, and we will be happy to answer your questions about Chandler Crop Products. Also, you should let us know in advance if you want to pick up your product at the dinner in order to save UPS shipping charges.

Invitations will be sent to all current users in areas where we do not have an active dealer, and the dates are listed below. If you would like to attend, please call us at (309) 659-7773, fax us at (309) 659-7827, or send email to [info@midwestbioman.com](mailto:info@midwestbioman.com) to find out the specific time and location for a dinner near you:

- Rantoul, Illinois --- Tues., March 16
- Preston, Iowa --- Thurs., March 18
- Calmar, Iowa --- Tues., March 23
- Oelwein, Iowa --- Tues., March 23
- Davenport, Iowa --- Thurs., March 25

## **PRIVACY POLICY**

Chandler Crop Products help our users to earn higher net income, which may give them an edge when bidding for land. For this reason, we do not identify our users by name when we report on-farm yields or other product benefits. Although this policy reduces the information we can share with other users and prospective customers, we understand the need for privacy in modern farming and do not provide any identifying information about our customers without obtaining their permission in advance.

**IF YOU HAVE AN UPDATED ADDRESS THAT IS DIFFERENT FROM THE ONE ON YOUR ADDRESS LABEL, PLEASE SEND IT TO US OR GIVE US A CALL SO IT CAN BE CHANGED FOR FUTURE NEWSLETTERS.**

**Midwest Bio Tech, Inc.**  
**Box 156**  
**Erie, IL 61250**  
**(309) 659-7773**

Address Service Requested

## **PRE-SEASON DISCOUNT PRICE PROGRAM**

We have enclosed the full price list and shipping cost schedule under our "Special Pre-Season Discount Program." Although the prices of other crop production inputs have continued to increase over the past year, we have maintained the same retail and pre-season discount prices for all Chandler Crop Products for the past three years (since 2007). Please note that the 4% March discount runs through the last day in March, 2010, and the regular retail prices for all Chandler Crop Products go back into effect on April 1, 2010. Also, we pay the shipping charges on all orders over \$800, or you can avoid the shipping charges if let us know in advance that you want to pick up your order at one of the Appreciation Dinners.

## **NEW 2.5 GALLON JUGS**

As we announced in the December, 2009 issue of the newsletter, the manufacturer of our 2.5 gallon jugs was recently sold, and the new company changed the content markings on the side of the jugs. We had the new jugs checked by outside sources, and the new markings are not correct. Although it looks like the jug contents are about 8 fluid ounces short, we guarantee that each jug contains at least 2.5 gallons (320 ounces) of product. We use these jugs for all of the liquid products that we sell in the 2.5 gallon size (including Chandler Biocat 1000, Foliar, and Soil). To make sure that each jug contains the required amount of liquid product, we are checking the volume and weight of each jug that we ship. We have also added a new label on the top of the jugs to explain this change.

**2009-2010  
SPECIAL PRE-SEASON DISCOUNT PROGRAM  
for  
CHANDLER CROP PRODUCTS**

**ORDER FORM**  
**MIDWEST BIO-TECH, INC.**  
P.O. Box 156 – ERIE, IL 61250  
Phone 309-659-7773

<u>Chandler Products</u>	<b>Retail</b>	<b>Mar.</b>	<b>Feb.</b>	<b>Jan.</b>	<b>Dec.</b>
15# Bkt Dry Seed Treat	150.00	144.00	140.00	135.00	132.00
2 to 5 Bkts - Per Bkt	145.00	139.00	135.00	131.00	128.00
6 or more Bkts - Per Bkt	140.00	134.00	130.00	126.00	123.00
(Each Bkt will treat about 60 Bu. or units of seed)					
Gal Liquid Seed Treat	125.00	120.00	116.00	113.00	110.00
2½ Gal Liquid Seed Treat - Per Gal	120.00	116.00	112.00	108.00	106.00
- Per 2½ Gal	300.00	290.00	280.00	270.00	265.00
30 Gal Liquid Seed Treat	110.00	106.00	102.00	99.00	97.00
(Each gallon will treat about 64 Bu. or units of seed)					
Gal Soil	92.00	88.00	86.00	83.00	81.00
2½ Gal Soil - Per Gal	90.00	86.00	84.00	80.00	78.00
- Per 2½ Gal	225.00	215.00	210.00	200.00	195.00
30 Gal Soil	82.00	79.00	76.00	74.00	72.00
Gal Biocat 1000	90.00	86.00	84.00	80.00	78.00
2½ Gal Biocat 1000 - Per Gal	88.00	84.00	82.00	78.00	76.00
- Per 2½ Gal	220.00	210.00	205.00	195.00	190.00
30 Gal Biocat 1000	80.00	77.00	74.00	72.00	70.00
Note - Biocat 1000 is a cellulose digester					
Gal Foliar	112.00	108.00	104.00	101.00	98.00
2½ Gal Foliar - Per Gal	109.00	105.00	101.00	98.00	95.00
- Per 2½ Gal	272.00	262.00	252.00	245.00	237.00
30 Gal Foliar	100.00	96.00	93.00	90.00	88.00
<u>Chandler Organic</u>					
Gal Organic	105.00	101.00	98.00	95.00	92.00
2½ Gal Organic - Per Gal	100.00	96.00	93.00	90.00	88.00
- Per 2½ Gal	250.00	240.00	233.00	225.00	220.00
30 Gal Organic	90.00	86.00	84.00	80.00	78.00

Chandler Organic can be sprayed on the soil or as a foliar on plants

Dry Seed is priced per bucket, **the rest of the products are priced per gallon.**

A – The 12% December discount will terminate at midnight on January 9, 2010

B – The other three months discounts will terminate the last calendar day of the month at midnight

C – Customer must pay for product within the specified month to get that month's discount

D – You may take delivery of the product at time of payment or we can store it for you until spring

E – Prices are subject to change

F – All prices are F.O.B. Erie, IL

Name \_\_\_\_\_  
(please print)

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_ ZIP \_\_\_\_\_

Phone \_\_\_\_\_ - \_\_\_\_\_

<b>Qty.</b>	<b>Products</b>	<b>Unit</b>	<b>Price</b>
	15# Bkt Dry Seed Treat		
	Gal Liquid Seed Treat		
	2½ Gal Liquid Seed Treat		
	30 Gal Liquid Seed Treat		
	Gal Soil		
	2½ Gal Soil		
	30 Gal Soil		
	Gal Biocat 1000		
	2½ Gal Biocat 1000		
	30 Gal Biocat 1000		
	Gal Foliar		
	2½ Gal Foliar		
	30 Gal Foliar		
	Gal Chandler Organic		
	2½ Gal Chandler Organic		
	30 Gal Chandler Organic		

**PRICES SUBJECT TO CHANGE WITHOUT NOTICE**      **Product Total** \_\_\_\_\_  
UPS Shipping \_\_\_\_\_

TOTAL AMOUNT ENCLOSED \_\_\_\_\_  
WHEN YOU WOULD LIKE DELIVERY OF THIS PRODUCT \_\_\_\_\_

All orders over \$800.00 will be shipped Freight Free  
All orders under \$800.00 add the following UPS fee

Each 15# Dry Seed - \$14.00

Each Gal of Product - \$13.00

Each 2½ Gal of Product - \$15.00

Enclose Check or Money Order

Payable to Midwest Bio-Tech, Inc.

**THANK YOU FOR THIS BUSINESS!**