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CROP RETURNS SHOULD IMPROVE IN 2007

One of the topics that we tend to follow in this newsletter is the way things change in farming. At this time last year, a lot of people were concerned about the chance that dry weather in 2005 would continue into the 2006 crop year. By last spring, most of the drought worries had dried up in most (but not all) areas, and farmers were considering the possibilities of facing lower grain prices and higher energy costs by harvest time. Now, the main topics of discussion have come almost full circle, and we are wondering if the hot and dry weather from late summer in 2006 will reduce the corn yield numbers in the November USDA crop report. The ag market outlook has also done a complete reversal, and the current situation with higher grain prices and lower energy costs is projected to continue for the 2007 crop year.

We have all seen the articles in the farm publications about the major reasons for the change in grain prices. According to the market experts, the big moves in wheat prices are largely due to short crops in the major producing areas, and the jump in corn prices is due to the potential decline in 2006 yields as well as strong demand from the ethanol plants and other sources. Last spring, some of the experts said that farmers were planting too many bean acres and not enough corn acreage to serve the growing demand for corn. Although these opinions looked to be a bit too strong at the time, they appeared to be right on target by October as USDA cut their corn production numbers and corn prices moved higher.

Farmers are already adjusting to the new market situation. This fall, we have talked to many more people than usual about using Chandler Dry Seed Treat and Soil on winter wheat acres. The ag marketing folks are also projecting big shifts from soybeans to corn in the upper Midwest for next spring. For example, the latest crop budgets put together by the University of Illinois project the 2007 corn price at \$2.75 and the bean price at \$6.25 per bushel. Both of these prices are \$0.60 per bushel higher than the average for the past five years, but the key difference is in the relative price change. The Illinois soybean price is only 10% higher while the Illinois corn price is almost 30% higher. If this sort of price change pans out, corn should be more profitable than beans in most areas of Illinois and the surrounding states in 2007.

The other key factor in the crop acreage decisions is the advantage of rotating corn and bean acreage relative to continuous corn. In most parts of Illinois, corn after beans tends to yield about 10-12 bushels per acre more than corn after corn. The per-acre cost of corn after beans also tends to be lower due to the difference in fertilizer and weed control costs. Based on the Illinois numbers, your yield from continuous corn has to be at least 3 times your typical bean yield in order to justify the switch from a corn-bean rotation to continuous corn.

Although there are additional challenges to raising continuous corn, many of our users have successfully done so for years. Ask us how you can maintain continuous corn yields while you reduce fertilizer costs, control weeds, and manage extra residue.

RECENT REPORTS FROM CHANDLER USERS

The following field results were reported by users when they called with questions or to order product during the past year. So, the results refer to the on-farm performance of Chandler Crop Products during the 2005 and 2006 crop years. In accordance with our privacy policy, we only provide the main details of the results and do not report names, addresses, or any other identifying information about our users. We appreciate their willingness to share this information about their own experiences with Chandler Crop Products.

- A user from northern Illinois harvested 112 BPA oats after using Dry Seed Treat, and the control plot yielded 92 BPA (20 BPA increase). He also said the grain quality was better on the treated oats.
- A new Dry Seed Treat user from Kansas had a 12-15 BPA increase in milo (grain sorghum) on several side-by-side plots. He told us "The product really works!"
- A corn farmer from North Dakota had a 10 BPA increase in no-till corn from using Chandler Dry Seed Treat.
- In 2005, a Dry Seed Treat user from northern Illinois reported whole-field bean yields of 80 and 85 BPA based on his scale tickets for two separate soybeans fields. He uses the product on all of his crop acres, so he did not have a control or check strip for comparison purposes.
- Another user of Dry Seed Treat and Soil farms in an area that was as dry during the past year as in the 1988 drought. He recently called to report on the progress of his 2006 crop. His soybeans made 60 BPA with 61-62 pound test weight in each load. The local elevator manager told him that the test weights were at least 2 pounds heavier than any other beans they bought from his area. Although he had not yet harvested his corn, he said the crop was still standing well and looked really good. Most of his neighbors had poor stalk quality due to the drought, and their corn was down and tangled.
- Some areas of Indiana had the opposite problem and experienced excess rain and lots of standing water during the spring planting season. One of our Dry Seed Treat users from central Indiana said he didn't have to replant any corn while most of his neighbors had to replant half to three-fourths of their corn crop.
- One of our users in northwestern Illinois sprays Biocat 1000 on his residue after harvest in the fall. When the seed company representatives walked his corn fields, they couldn't believe he did not have volunteer corn in his corn-after-corn acres. His chemical treatment does not control for volunteer corn, but the Biocat 1000 treatment deteriorates any dropped ears and keeps them from germinating.
- In 2005, a soybean farmer from central Indiana used three separate applications of Chandler Foliar during the season and enjoyed a 92 BPA bean yield.
- Another soybean producer from northern Indiana reports excellent results from applying Chandler Foliar on beans at the third to fifth trifoliate leaf stage.
- A new user from northeastern Nebraska applied Biocat 1000 to heavy corn residue during the spring in 2006, and he later planted the field to no-till soybeans. He called in mid-September to say that he had just checked the field, and the spring treatment of Biocat 1000 had almost fully decayed the heavy corn residue. In his words, the field looked like it had been moldboard plowed because there was no undecayed corn residue to be seen on the soil surface.
- A farmer in west central Illinois sprayed Biocat 1000 on the corn residue in three different fields after harvest in the fall of 2004, and the fields were all planted to soybeans in the spring of 2005. He also applied Chandler Soil before the soybean crop was planted, and the three fields had been treated with Soil for the three previous years. After harvest that fall, he told us that his 2005 soybean crop was the best one that he had ever raised on all three farms.

WINTER FARM SHOWS

As in the past, Midwest Bio-Tech, Inc. will exhibit at several major farm shows during the winter months. The dates and locations of the winter shows we will attend from November, 2006 to March, 2007 are:

- Nov. 28-30 Greater Peoria Farm Show
Civic Center
Peoria, IL
- Jan. 14-16 Quad Cities Farm Show
QCCA Expo Center
Rock Island, IL
- Jan. 16-18 Fort Wayne Farm Show
Allen County Coliseum
Fort Wayne, IN
- Jan. 24-25 Midwest Ag Expo
Gordyville USA
Gifford, IL
- Feb. 10-11 Agricultural Mech Show
Western Illinois University
Macomb, IL
- Feb. 28 &
Mar. 1-2 Hawkeye Farm Show
University Dome
Cedar Falls, IA

When you attend any of these winter farm shows, please be sure to stop by our exhibit booth and say hello. We always enjoy this chance to visit with our customers and get caught up on the most recent changes with your family and farming operation. We will also have the most up-to-date field results, product brochures, and other information available in case you have any questions about the Chandler Crop Products.

Also, please remember that you can save on shipping charges by placing an advance order and picking up your product at one of the farm shows. If you want to do this, please let us know at least five days before the show begins. We usually bring some buckets of Dry Seed Treat and a few gallons of liquid product to sell at the shows, but we try not to carry any extra liquid product during freezing weather. However, if we know you plan to pick up all or part of your order at the show, we can make sure to have it ready for you when you drop by our exhibit booth.

NO EXHIBIT THIS YEAR AT NORTHERN ILLINOIS SHOW

We have decided not to attend the show in Dekalb, IL, during January, 2007, due to problems we had with the show managers over the past several years. Although we were among the first companies to exhibit at the Northern Illinois show when it began in the Rockford Metro Center, the show managers started moving our booth from its long-time location to less favorable spots in the exhibit hall. We stopped going to the show because several of our users had trouble finding our exhibit from year to year.

The show managers contacted us after the show moved to Dekalb and promised prime booth space if we would try it again. Unfortunately, they continued to move our booth each year even though we had signed up for a particular location nine months in advance. We also weren't told of the changes until we had arrived at the convention center. To make things worse, the new locations were not correctly stated in the list of exhibitors, and many of our users had to look hard to find us. A few people who came to the show to place their spring orders could not find us at all. We apologize for any trouble that this game of "musical chairs" has caused in the past, and we do hope to see you at one of the other Midwest farm shows this winter.

PLEASE RETURN THE ENCLOSED ADDRESS SHEET

Over time, some of our readers have moved, left farming, or passed away, and we have updated or removed their name from the newsletter mailing list at their request. However, we don't always hear from people as these changes occur. As we explain in the enclosed insert, we are now working to update our mailing list in order to reduce the number of unnecessary mailings. If you still wish to receive the newsletter, please complete and return the enclosed address information sheet. Also, all current and recent users will continue to receive the newsletter by first class mail.

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

Address Service Requested

PRE-SEASON DISCOUNT PRICE PROGRAM

We have enclosed a copy of the full price list and shipping cost schedule under our "Special Pre-Season Discount Program." The 12% December discount period ends at midnight on January 6, 2007, so you can take advantage of the lower prices in the 2006 or 2007 tax year. The regular retail prices for all Chandler Crop Products go back in effect on April 1, 2007. Note that we increased the Dry Seed Treat prices as of November 1, 2006, due to higher costs of the dry ingredients. The regular retail and pre-season discount prices for all liquid Chandler Crop Products are the same as last year. Also, please note that all orders over \$800 qualify for freight-free shipping, and you can place an advance order and pick up your product at one of the winter shows to avoid shipping charges.



*Seasons
Greetings*

I also want to take this opportunity to say "thank you" for the privilege to have served you in the past, and I look forward to serving you in the future. I also extend to you my personal "Seasons Greetings" and wish you a "Very Prosperous New Year."

Sincerely,
Jim Miller

**TO CONTINUE RECEIVING THIS NEWSLETTER,
PLEASE COMPLETE AND RETURN THIS FORM!!!**

Dear Reader,

We published our first quarterly newsletter in March, 1993, and the mailing list has grown substantially over the past 14 years. The names on our current mailing list were collected from many different sources, including phone calls and other personal requests for product information, reply cards sent in response to our ads in farm publications, and registration cards completed by people attending farm shows. In each case, we only added someone to the mailing list if they purchased product or requested more information, and we do not send unsolicited mailings.

We realize that a lot of things can change in 14 years, so there may be some people on our current mailing list who no longer wish to receive the newsletter for a variety of reasons. Although we have always honored requests to change an address or remove a name from the list, we don't always receive this information from our readers. Consequently, some of the addresses on our mailing list are incorrect, and the Post Office returns 40-50 newsletters as non-deliverable after each mailing. The Post Office charges us \$0.95 to \$1.25 for each returned item, so the costs from these errors can add up fast.

We have always been happy to send the newsletter to people who are not farmers but have an interest in agriculture (e.g., retired farmers, farmland owners, agribusiness people), but we also want to make sure that the people on the list still want to receive the newsletter. If you want to continue receiving the newsletter by mail, please complete the form below and send us the information by electronic mail (info@midwestbioman.com), fax (309-659-7827), or regular postal mail (P.O. Box 156, Erie, IL 61250). You can also give us your email address, and we will send the newsletter by email only. If we do not hear from you, we will remove your name from the mailing list by March 1, 2007.

Note: this request does not apply to our current customers, who receive the newsletter by first class mail. If you receive your newsletter in an envelope, you are on the first-class mail distribution list and you do **not** have to respond to this announcement in order to continue receiving the newsletter.

Sincerely,
James F. Miller

Name: _____
Street or 911 address _____
City/town _____ State _____ ZIP _____
Here is my email address --- send the newsletter by email ONLY: _____

