

THE MIDWEST

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CONTROLLING COSTS MAY BE THE KEY TO 2008

The 2007 crop production results are still preliminary, but the most recent reports include some interesting revisions to their September and October estimates. USDA shaved about two bushels off their October US corn yield estimate, so the very hot weather at the end of the season did hurt production. On the other hand, USDA has increased the harvested acreage number since August, and the current estimate of total production is still about 13.2 billion bushels (biggest corn crop since 1933). For soybeans, the US yield estimate of 41.3 BPA remained steady, but USDA reduced their estimated harvested acreage number by about a half million acres since August. As a result, the total production estimate has dropped to 2.6 billion bushels of beans.

Given these numbers, the market analysts have been projecting somewhat higher crop prices for 2008, but these estimates depend on a lot of "ifs". Export demand for both corn and soybeans should remain strong, especially if the US dollar remains weak. Domestic use of soybeans is expected to increase, and much of the growth is coming from soy oil used for biodiesel. The big "if" for beans is the size of the South American crop, which is still in its early stages. For corn, one key "if" is the growth in domestic use for ethanol. If all of the planned ethanol plants are built, the industry could consume up to 5 billion bushels. However, there have been several recent reports about delayed or postponed plant construction due to concerns about corn prices, water issues, and transportation problems.

Due to these sources of uncertainty, most market analysts have projected a fairly wide range of expected prices for 2008. Based on current information, it looks like we might see steady to somewhat higher bean prices and about a 10 percent increase in average corn prices relative to 2007. Although farm revenues may be higher next year, the latest farm budget projections also indicate that crop production costs may increase at a faster rate. In particular, total production costs are expected to increase by about 15 percent for both corn and bean. Aside from land costs, the biggest increases are expected in fertilizer and seed costs. So, the key to maintaining a healthy bottom line in 2008 appears to be controlling these crop production costs.

In this issue of the newsletter, we focus on crop production costs, and we list some of the field results from 2007 that our Chandler users have reported to us. These farmers used Chandler Crop Products to maintain or increase yields while also reducing some of their key crop production costs, including fertilizer, seed, herbicides, and insecticides. In each case, the cost of the Chandler products was more than offset by the cost reductions in these other areas.

We are also happy to report to you that the regular retail and pre-season discount prices for all Chandler Crop Products are the same as in 2007. We have also held our shipping charges at the same levels as last year even though UPS continues to increase their rates. So, even if your other production costs increase for next year, you won't have to pay more to use Chandler Crop Products.

2007 FIELD REPORTS FROM CHANDLER USERS

The following field results were reported by users when they called with questions or to order product during the 2007 crop year. 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 eastern Iowa sprayed half of his corn field at the full rate of chemical, and he sprayed a half-rate application on the other half of the field. Both parts of the field were treated with the Chandler Organic foliar product at 10 ounces per acre. Throughout the entire crop season, the degree of weed control achieved on both sides of the field was excellent.
- Last spring, a user from Illinois applied Biocat 1000 to part of his corn residue from the 2006 crop. The two root crowns in the photo below were collected from this field later in the season. The stalk on the left was untreated, and the one on the right was treated. We can see that the pith in the stalk and the roots are largely undecayed in the untreated stalk. In contrast, the pith from the center of the treated stalk is gone, and the roots are heavily decayed. The picture shows how Biocat 1000 decays corn stalks to release nutrients while leaving the outer residue shell to protect the soil from erosion. Over time, the outer shell also breaks down to complete the decay process.



- A corn farmer from north central Illinois compared a traditional corn hybrid treated with Chandler Dry Seed and Soil with an untreated triple-stack hybrid. Chandler Soil was banded in the row at the 10 ounce per acre rate. In the photo below, the root system and an ear for the treated traditional corn hybrid are on the right, and the untreated triple-stack corn roots and ear are on the left. As we can see, the traditional corn treated with Chandler Crop Products has a larger ear that is filled to the end, and the root system is larger and more fully developed. Based on this comparison, the farmer found that he could use the Chandler Crop Products to reduce his corn seed costs while maintaining equal or better yields with a traditional corn hybrid.



- A farmer from central Illinois had a field that produced up to 253 BPA of #2 corn that was not treated with pesticides. He believes that the Chandler Crop Products help the corn plants generate enough sugar to produce high yields while also discouraging insect infestations.
- Another corn farmer from northern Illinois used Chandler Crop Products to raise a 217.5 BPA crop with only 100 units of nitrogen per acre.
- A user from Indiana commented that his soil farms better since he started using Chandler Soil every year.
- We have recently heard from a number of farmers who used these products in the past but stopped for a variety of reasons. When they contacted us to order again, many of these folks said they could see their soil quality and crop yields decline after they quit using the products, and they wished that they had never stopped.

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 shows we will attend from November, 2007 to February, 2008 are:

- Nov. 27-29 Greater Peoria Farm Show
Civic Center
Peoria, IL
- Jan. 15-17 Fort Wayne Farm Show
Allen County Coliseum
Fort Wayne, IN
- Jan. 20-22 Quad Cities Farm Show
QCCA Expo Center
Rock Island, IL
- Jan. 23-24 Midwest Ag Expo
Gordyville USA
Gifford, IL
- Feb. 9-10 Agricultural Mech Show
Western Illinois University
Macomb, IL
- Feb. 20-22 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.

LATEST RESEARCH ON MANAGING CORN RESIDUE

We devoted most of the space in the last issue of the newsletter (September, 2007) to new information about the problems of managing heavy corn residue and to the potential benefits of an active residue decay program. As we noted then, this topic is currently one of the hottest issues in Corn Belt farming, and new research continues to appear in the farm press.

To follow up on the material we presented in the September newsletter, we thought we should highlight some recent research results from Ohio State University that were reported in the *Illinois Agri-News* and other farm publications. The researchers studied the impact of removing corn residue from fields at different rates, and the experiments were conducted over three years. Although corn residue is not commonly removed from fields harvested for anything but silage, this practice may become more common in the future if the cellulose in the residue is used to generate ethanol.

As expected, the researchers found that removing more of the residue increased the potential for soil erosion, especially on lighter soils and hilly ground. The number of earthworms in the soil also declined as more residue was removed, which has an impact on soil tilth, water infiltration, and nutrient availability. Also, the research reported that corn seedlings tended to have a faster start in the spring if more of the residue was removed, but the yields were lower at the end of the season. We know that less biological activity in the soil leads to fewer nutrients available to support late-season plant growth and grain production.

In summary, we feel that this research reinforces a lot of the lessons we have learned over the past several years. While excessive crop residue can hamper early plant growth, we would lose the erosion protection and soil nutrients provided by the residue if it is simply removed from the field. It seems that the best solution is to develop an active decay program and manage the crop residue in the field.

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 5, 2008, so you can take advantage of the lower prices in the 2007 or 2008 tax year. You can save more in the early months of the program, and the regular retail prices for all Chandler Crop Products go back in effect on April 1, 2008. Although we have faced higher product and shipping costs in the past year, the regular retail and pre-season discount prices for all 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

**2007-2008
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

Name _____ (please print)
Address _____
City _____ State _____ ZIP _____
Phone _____ - _____

Chandler Products	Retail	Mar.	Feb.	Jan.	Dec.
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
Chandler Organic					
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 5, 2008
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

Qty.	Products	Unit Price
	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 - \$9.00
 Each Gal of Product - \$8.00
 Each 2½ Gal of Product - \$10.00
 Enclose Check or Money Order
 Payable to Midwest Bio-Tech, Inc.
THANK YOU FOR THIS BUSINESS!