

# AG NEWS & VIEWS

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## THANK YOU FOR THE GREAT WELCOME TO MIDLAND COUNTY

This is the first issue of Ag News & Views since I have moved to Midland County. I would like to personally thank each and every one of you who has stopped by the office to welcome my family and I to Midland County. For those of you who I have not had the opportunity to meet in person, I was raised in Fort Stockton where I graduated from High School and had a successful cotton and hay consulting business which paid for my education at Sul Ross State University. Upon graduating from Sul Ross, I took my first Extension position in Bastrop County. After three and half years there, I transferred to the Gulf Coast where I served as Ag Agent in Calhoun County for over four years. During that time, I had the opportu-

nity to work with agriculture producers on a number of challenges concerning production of cotton, corn, grain sorghum, soybeans, cattle, grass hay, and grazing. From there I served as Ag Agent in Williamson County until the position opened here in Midland. It has been amazing to move home to West Texas and see all the changes which have occurred in the near decade I have been away. I look forward to working with all agriculture producers in Midland County and hope you, as an agriculture producer, will find the Midland County Extension Office and myself as a valuable resource for your agriculture operation. Don't hesitate to give me a call if you have any questions. -AZM

Midland County Extension Office  
 County of Midland, Texas  
 Texas AgriLife Extension Service  
 Texas Department of Agriculture  
 United States Department of Agriculture

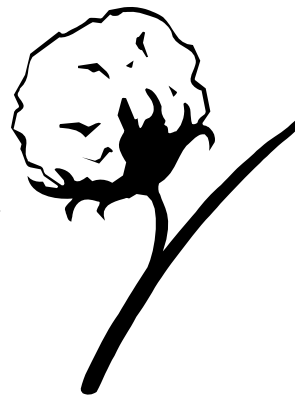
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<http://www.co.midland.tx.us>  
<http://texasextension.tamu.edu>  
<http://www.agr.state.tx.us>  
<http://www.usda.gov>



## MIDLAND COUNTY AGRICULTURE PRODUCTION ECONOMICS

*“However, with the lack of favorable conditions, many producers planted late season grain sorghum in hopes of harvesting some type of crop.”*

Since moving to Midland County in July 2008, I have been familiarizing myself with agriculture production in this area. While growing up just 100 miles south of Midland, I can say agriculture management practices are different, so I am still on a learning curve. Every year, we (county agents) have the opportunity to compile a county agriculture income report based on grassroots information. A producer's intrinsic knowledge of production yields and standards helps us to compile these reports. I would like to share some of the information gained from compiling this report. Cotton – it is no secret we had a poor cotton crop due to the lack of rainfall at critical times of the growing season. Some might say we had a lack of rainfall during the whole growing season. Due to this climatic non-event, cotton production dropped in yield with an estimated economic impact of 12



million dollars, countywide. As it was explained to me, there are three options for farming in Midland County and those are cotton, cotton, and cotton. However, with the lack of favorable conditions, many producers planted late season grain sorghum in hopes of harvesting some type of crop. Our grain sorghum production increased in planted acres and had a positive economic impact of just shy of 1.5 million. As you can tell, the off year for cotton had a tremendous impact of the farming income of Midland County. The report also indicated decreased production in alfalfa and other hay, which many of you can see, with an estimated economic impact of approximately 1.5 million. One of the highlights of this report was the favorable market producers had in wheat production in 2008. According to the report wheat had a positive economic impact of approximately \$400,000. In summary, the poor rainfall, led to failed crops and lower yields, dramatically affecting our overall production and each individual producer's bottom line.

## INTERESTING WEBSITES

Since becoming a county extension agent, I have found the value of a number of different websites which offer newsletters emailed directly to you at no cost. I would like to share the following with each of you as you might find some useful information from these publications.

Southwest Farm Press  
<http://southwestfarmpress.com/>

Beef Magazine  
<http://www.beefmagazine.com/>

Hay & Forage Grower  
<http://hayandforage.com/newsletters/>

Crop News Weekly  
<http://enews.penton.com/enews/cropnewsweekly>

# AG ECO NEWS [COMMODITIES]-

JOSE PENA

## Wheat

Wheat futures at the Kansas City Board of Trade (KCBT) are trading higher despite USDA'S bearish December 11, 2008 supply/demand report. While the production estimate at 2.5 billion bushels remained the same as last month's estimate, but up 433 million bushels from last year, imports were increased by 10 million bushels and domestic food use was decreased by 10 million bushels. The estimate of ending stocks was conversely increased by 20 million bushels to 623 million bushels, more than double the size of beginning stocks of 306 million bushels. USDA's all-wheat season average price was projected 15 cents lower on both ends to a range of \$6.40-\$7.00/bu.

## Cotton

The cotton market has weakened steadily since last spring's highs and USDA's December 11, 2008 supply/demand report was bearish to cotton. With about 90 percent of USDA's December 11, 2008 production estimate as export bound, the market remains export dependent and there is too much cotton in the U.S. and the world in relation to current demand. Despite the recent market weakness since last spring's highs, it appears that futures prices are looking for a bottom and may start to show some improvement.

USDA's December 11, 2008 supply/demand report raised the production estimate by 80,000 bales and lowered domestic mill use and exports by 850,000 bales

from last month's estimate, resulting in significantly higher ending stocks. Domestic mill use was reduced 100,000 bales, reflecting a marginal decline from the level of recent months. Exports were reduced 750,000 bales, as sharply lower world consumption is anticipated to limit demand for U.S. cotton. The global economic situation continues to have a major impact on major importing countries' usage rates. Accordingly, ending stocks were raised by 900,000 bales (14.5%) from last month to 7.1 million bales.

It appears that the market had anticipated this change and had already adjusted to this higher ending stock level. USDA's forecast average farm price for the current marketing year was lowered four cents on both ends of the range to a range of 41 to 51 cents per pound. But, also keep in mind that this price forecast is for the old crop. Futures prices for December '09 cotton contracts are a better indicator of what the market is offering at this time for the new crop.

*"It appears that the market had anticipated this change and had already adjusted to this higher ending stock level."*

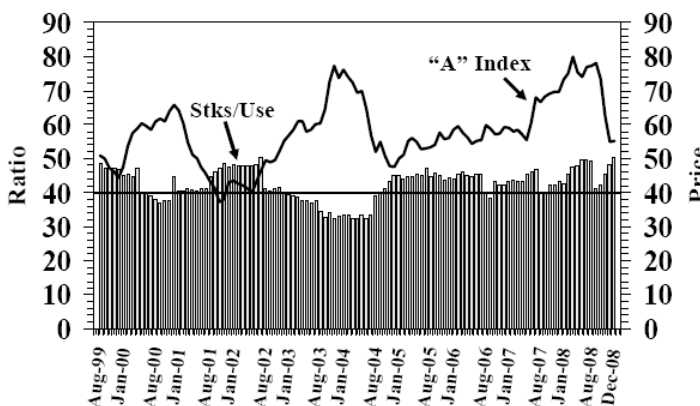


# COTTON MARKET COMMENTS

- CARL ANDERSON

The price of cotton has steadily declined since July. March '09 futures, that was trading at 80 cents in July, is now trading close to 40 cents per pound. The USDA projected supply/demand and carryover figures are now getting in line with what low market prices have been signaling for several months. The latest world carryover of 50 percent stocks-to-use indicates an "A" Index (world price) close to 50 cents. The 58.8 million bale world carryover is sufficient to satisfy use for six months. That is a cotton surplus. In the last year, world mill use has slowed 5.6 percent, or nearly 7 million bales. And, it appears that use may decline another 3 to 4 million bales. The stockpile of cotton in foreign countries and the U.S. adds up to an adjusted world price (AWP) that will likely be below the 52-cent CCC loan rate for at least another year. The need to buy more U.S. cotton acreage next season has been placed on hold. Acreage will fall well below the 9.4 million planted this year to most likely the lowest acreage since 7.8 million in 1869 (yes, 139 years ago). With a 7 million bale carryover, a harvest of some 13 million bales will be adequate. A crop of that size could be produced on less than 8 million acres. Combined production in India, China, and other foreign countries has increased faster than their demand. World cotton yields averaged 582 pounds per acre five years ago. Today, yields average about 700 pounds, a 20 percent increase. Thus, fewer acres are needed for production to keep up with consumption.

**Cotton: "A" Index and World Stocks/Use, August 1999 – December 2008**



*“The stockpile of cotton in foreign countries and the U.S. adds up to an adjusted world price (AWP) that will likely be below the 52-cent CCC loan rate for at least another year.”*

## PRIVATE APPLICATOR TRAINING

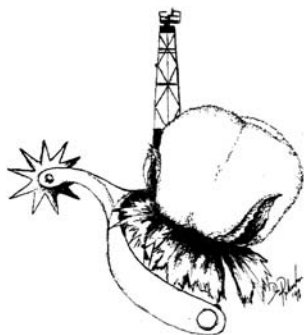
Individuals interested in training and testing for a private pesticide applicator's license can train at the Midland County Extension Office. Trainings will be conducted monthly at the Midland County Extension Office. Training dates for 2009 are **1/23, 2/26, 3/26, 4/24, 5/22, 6/25, 7/24, 8/24, 9/24, 10/23, and 11/24**. There will be no training in December 2009. Cost of materials is \$30.00 person for the books needed for the training. After you have completed the training, you have one year to take the exam at a Texas Department of Agri-

culture (TDA) approved testing site. The regional TDA inspector for this area conducts monthly tests at the Ector County Extension Office. For information on the testing, please contact Ms. Crystal Henderson, CEA-AGNR, Ector County at 432-498-4071. Individuals who desire to train at the Midland County Office will need to contact us ten (10) prior to the testing to ensure we have the materials on hand and to RSVP for the training date. Trainings will start at 9:00 am and will conclude before 1:00 pm.

# 2009 PERMIAN BASIN COTTON CONFERENCE

The Permian Basin Cotton Conference will be held on Tuesday, January 20, 2009, at the Martin County Community Center in Stanton, Texas. The 2009 conference will include topics on cotton weed resistance, new technologies in cotton seed, fertility requirements in cotton related to today's economic structure, new cotton seed varieties, wheat production and management, grain sorghum production and management, legislative and policy updates, market updates, and a presentation on the new Farm Bill.

Featured speakers will include: Extension Specialists – Dr. Todd Baughman, Dr. Calvin Trostle, and Dr. Randy Boman; Cotton Seed Company Representatives; Cotton Seed Company Agronomists; Mr. Brett Cypert; Mr. Ricky



Wright; and a representative from the Farm Service Agency.

Continuing Educational Units (CEU) will be provided for licensed pesticide applicators (private, commercial, and noncommercial). Six (6.0) will be earned from attending this program which include 2.0 hours of General Education, 2.0 hours of IPM Education, and 2.0 hours of Laws & Regulations Education.

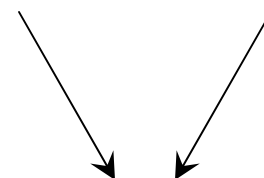
Registration for this program is \$15.00 per person if received by Friday, January 16, 2009. Door registration is \$20.00 per person. Registration includes a catered meal to be served on site. Registration packets need to be mailed to the Martin County Office at: PO Box 1148, Stanton, TX, 79782. Enclosed is a copy of the tri-fold brochure.

## 2009 RESULT DEMONSTRATION PROGRAM

In 2008, we had a bad drought which decimated our dryland cotton crop. In 2009, we are looking forward to more favorable weather and an excellent crop demonstration program. In my two (2) meetings with the Midland County Agriculture Council, we have spent a large amount of time discussing demonstration ideas and needs for Midland County. As of our last meeting, the following four (4) crop demonstrations are planned for implementation in 2009: Irrigated Cotton Variety Performance Test, Dry-

land Cotton Variety Performance Test, Grain Sorghum Hybrid Performance Test, and Forage Sorghum/Sudan Hybrid Performance Test.

I would like to thank Roy Graham, Al Spinks, Perry Lewis, and Clay Harris for acting as demonstration cooperators for these tests. As the season progresses, we may have need for some chemical trials or some other type of emerging need plot work, but as of today, these are the demonstrations slated for 2009.



**The registration form for the 2009 Permian Basin Cotton Conference is on the back of this page.**

*“Six (6.0) will be earned from attending this program which include 2.0 hours of General Education, 2.0 hours of IPM Education, and 2.0 hours of Laws & Regulations Education.”*



*Improving Lives. Improving Texas.*

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**“ADDRESS SERVICE REQUESTED”**

**PERMIAN BASIN  
COTTON CONFERENCE**

Registration Form

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

No. Attending: \_\_\_\_\_

Amount Enclosed: \_\_\_\_\_

Registration is \$15.00/person if received by Friday, January 16, 2009.

Door Registration is \$20.00/person.

Breaks are sponsored by:

**Martin County Cotton Growers**

Mail Registration To:

Texas AgriLife Extension Service  
c/o Martin County CEA - AGNR  
PO Box 1148  
Stanton, TX 79782