

BORDER VALLEY TRADING

A Commitment to Safe, Quality Feed

www.bordervalley.com

BVT News

April 9, 2010

BVT Headlines

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ping

IMPERIAL VALLEY

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Earthquake Update:

On Sunday, April 4th the Imperial Valley experienced a 7.2 magnitude earthquake centered about 50 km southwest of El Centro.

The earthquake caused widespread damage to buildings and roads in the southwest portion of the Imperial Valley as well as Mexicali, Mexico.

The Border Valley Facility in Brawley did not experience any damage. Operations were stopped on Monday so that the BVT staff could be with their families and normal operations resumed on Tuesday April 6th. There are no disruptions to shipments.

Imperial Valley Alfalfa Harvest:

After a winter season with above average rainfall, the alfalfa harvest started about March 15th. Because of early rains, the harvest was delayed 2 to 4 weeks.

Quality of the earliest harvested fields did show some over-maturity and limited weed contamination. With better recent weather, we have seen some very high quality 1st cutting premium

alfalfa hay produced. The analysis test for 1st cutting premium alfalfa has been very good with Crude Protein from 23% to 25% and RFV 180 to 200 on 100% DM basis.



First cutting harvest will continue for 2 more weeks with 2nd cutting on the earliest alfalfa fields starting soon. With excellent growing conditions we expect to see very nice 1st and 2nd cutting export quality premium being produced.

Sudan Grass Planting:

With the nice weather the rate of sudan planting has increased over the past 2 weeks. Indications from farmers in the Imperial Valley is for an increase in acres compared with 2010. This is mostly due to lower prices for wheat compared to last year.

Based on grower intentions BVT expects to see "normal" sudan acres planted. Most of the sudan will be planted early by the end of April with very little sudan planted into May and beyond. With normal weather and growing conditions we expect growers to start cutting



the last half of May. Shipments on new crop sudan will start in Early June.

Klein Grass:

Due to the weather, some klein grass fields have some winter grass contamination. These winter grasses will die as we see warmer Springtime temperatures. Many farmers have recently "clipped" their klein grass fields at a young stage to clean up the grass. These fields should produce nice 1st cutting export quality.

Fields that farmers did not "clip" will harvest later in April. These fields will produce klein with some contamination. We expect all 1st cutting to start the middle of May.

Bermuda Grass:

Bermuda Grass is growing well now with the warmer temperatures. Recently the price of

bermuda grass seed has improved with growers indicating they intend to make more seed. This will limit the amount of early produced bermuda hay.

After seed harvest in June and July, farmers will then produce bermuda hay. Most of the bermuda hay will be produced August through October. Some fields not for seed production will make hay in May.

Ocean Freight:

Most steamship lines took another GRI effective April 1st of \$300 per 40 foot container. Lines that did not take the increase April 1st will take the increase soon. In addition to the GRI there was a fuel bunker adjustment of about \$25 per 40 foot container. Steamship lines have indicated there is no flexibility on rates and as a result BVT has to accept the full increase.

Vessel space continues to be very tight as all vessels departing from LA/LB and Oakland are in an overbooked situation. Some bookings are being rolled or canceled by the lines without notice. BVT has been working hard to keep shipping disruptions at a minimum but the problems continue to increase.

To avoid shipping delays or last minute changes, BVT suggests that shipment requests be made as early as possible. With good planning and timely requests BVT is in a better position to arrange timely shipments.

As we go into the new crop 2010 season, everyone at BVT would like to thank our customers for their support with the 2009 crop business. We look forward to the harvest season and to moving all of the 2009 inventory on schedule. Thank you.

Imperial Valley Crop Acres

as of April 1st

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Sudan	20,251	11,729	19,396	17,694	24,492	23,728	26,509	3,672	n/a	18,000
Alfalfa	177,671	180,368	160,520	144,783	140,788	148,390	129,923	114,392	130,768	132,762
Klein Grass	7,862	9,982	9,916	13,385	14,097	13,451	15,130	14,750	14,046	11,970
Bermuda Grass	60,156	65,391	62,063	65,814	62,328	62,101	64,008	55,856	51,028	53,052
Wheat	38,546	43,583	58,769	49,146	30,152	24,308	46,482	108,264	105,160	56,840

The Weather

Imperial Valley

APR 8	APR 9	APR 10	APR 11	APR 12
Sunny	Sunny	Partly Cloudy	Partly Cloudy	Few Showers
High: 29° Low: 14°	High: 31° Low: 13°	High: 28° Low: 13°	High: 28° Low: 13°	High: 21° Low: 11°

Modesto

APR 8	APR 9	APR 10	APR 11	APR 12
Sunny	Sunny	Partly Cloudy	Showers	Showers
High: 22° Low: 7°	High: 23° Low: 9°	High: 21° Low: 9°	High: 14° Low: 9°	High: 16° Low: 6°

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