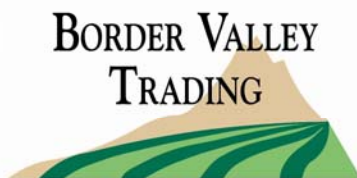


Border Valley News

August 15, 2008



A Commitment to Safe, Quality, Feed

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IMPERIAL VALLEY

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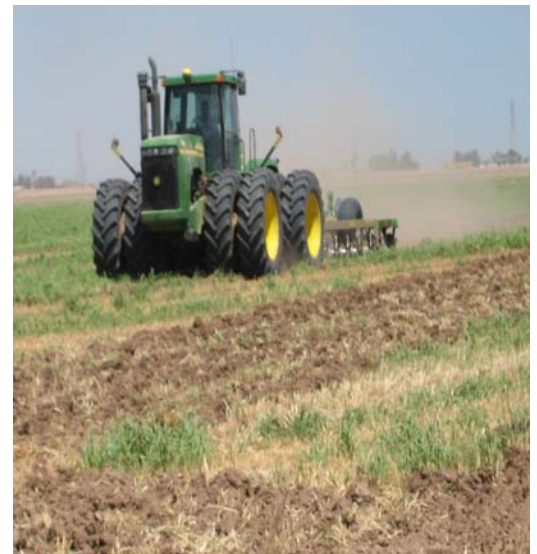
Weather in the Imperial Valley the past 2 weeks has been a bit unstable, as there have been several incidences of isolated thunderstorms. Although the rain has been scattered, and has not effected the entire Imperial Valley, some areas have received heavy rainfall and has caused some damage to cut sudan and klein grass.

We estimate that 5% of later harvest sudan and 10% of 3rd cutting klein grass has received rain damage. The amount of damage does vary, but some of the rained on sudan and klein grass will not be suitable for the export market.

During this time of year, the Southwest Desert region is prone to thunderstorms due to summer monsoon pattern. It is not unusual for the weather forecast to change suddenly from dry conditions, to higher humidity and greater threat of thunderstorms rainfall.

Harvest of sudan in the Imperial Valley is starting to slow down now, as most of the later planted sudan has now been cut. Harvest of 2nd cutting sudan from earlier planted sudan is also progressing rapidly. Almost all sudan fields are being plowed under after the current harvest of sudan. Some farmers have

indicated they will make one more cutting on some of their sudan fields.



Quality of sudan recently harvested is showing a wide range in quality, as we are seeing variation in color and stem size. Color of sudan is ranging from lighter color to medium, with some standard green color. Stem size is ranging from fine to fine to medium stem on 1st cutting, and mostly medium and some bigger stem on 2nd cutting.

Harvest of klein grass is progressing as growers are finishing harvest of 3rd cutting and some growers have started 4th cutting.

Due to challenging weather the past few weeks with some rain

and higher humidity the past few weeks, klein grass quality has been marginal due to bleach and some dead leaf.



Harvest of bermuda straw has been completed and farmers are now starting to harvest bermuda hay. Demand for bermuda hay remains very strong from both the domestic and export markets. Quality of bermuda hay produced recently has been very nice as farmers are cutting bermuda at a young stage. Most bermuda hay is showing bright green color and medium fiber length.

Total supply of bermuda hay produced this season will be much less than we have seen in previous years. Planted acres of bermuda grass has decreased due to better options as well as the higher price to farm bermuda grass. Some farmers are indicating intentions to make another bermuda seed crop as the price of bermuda seed is high.

Demand from the domestic horse market is also very strong. There has been a shift in demand from alfalfa to more bermuda hay for horses due to the higher alfalfa price. Even though the price of bermuda hay is high, it is still cheaper than alfalfa.

Sudan in Central and Northern California is starting to harvest at an increased pace now. We are seeing many fields of sudan being cut now, and the rate of baling is increasing.

Quality of sudan harvest thus far has been quite nice as we are seeing mostly fine stem and medium color, with some nice quality, low color sudan. In a few cases we have seen lower quality sudan produced, but this sudan has been purchased by the domestic market.

Most of the sudan will only make 1 cutting this year due to late planting. Most farmers are planting sudan in rotation with wheat, oat hay and rye grass hay. As a result, most sudan is not planted until June and early July.








Acres of sudan planted in Central And Northern California appear to be a bit higher than we had first estimated, but according to most growers, the acres of sudan is less than last season. With favorable weather we are hopeful for nice quality sudan this year.

PSW Harvest Progress






as of August 15, 2008	1st Cutting		2nd Cutting		3rd Cutting		4th Cutting		5th Cutting	
	Cut	Baled	Cut	Baled	Cut	Baled	Cut	Baled	Cut	Baled
Imperial Valley										
Alfalfa	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Sudan	90%	85%	60%	50%						
Klein	100%	100%	100%	100%	95%	90%	20%	10%		
Early Bermuda Hay	100%	100%	100%	100%	100%	100%				
Bermuda Hay after seed	25%	10%								
Bermuda Straw	100%	100%								
Central California										
Southern San Joaquin Alfalfa	100%	100%	100%	100%	100%	100%	100%	100%	50%	40%
Northern San Joaquin Alfalfa	100%	100%	100%	100%	100%	100%	100%	90%	25%	10%
Sudan	25%	15%								

The Weather

Imperial Valley

AUG 15	AUG 16	AUG 17	AUG 18	AUG 19
				
Partly Cloudy	Mostly Sunny	Sunny	Sunny	Sunny
High: 42° Low: 27°	High: 41° Low: 26°	High: 42° Low: 26°	High: 41° Low: 26°	High: 42° Low: 26°

Modesto

AUG 15	AUG 16	AUG 17	AUG 18	AUG 19
				
Mostly Sunny	Sunny	Sunny	Sunny	Sunny
High: 40° Low: 22°	High: 37° Low: 19°	High: 36° Low: 19°	High: 34° Low: 16°	High: 33° Low: 17°