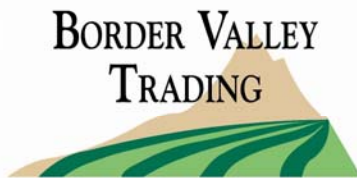


Border Valley News

December 19, 2008



A Commitment to Safe, Quality, Feed

www.bordervalley.com

IMPERIAL VALLEY

P.O. BOX 62
604 EAST MEAD ROAD
BRAWLEY, CA 92227

PHONE: (760) 344-6700
FAX: (760) 344-4305

CENTRAL CALIFORNIA

14503 HARDING ROAD
TURLOCK, CA 95380
PHONE: (209) 669-6000

Farmers in the Imperial Valley have been very busy planting new crops recently. Due to a very mild winter climate, very good farm land, and availability of water, farmers in the Imperial Valley have many different options on the crops they are able to farm. As the varying markets and demands have changed recently, farmers will change the crops they produce and their crop rotation practices.

Acres of wheat in the Imperial Valley for the 2009 growing season is estimated to be high and similar to the acres planted last season. Although the grain market is lower compared to last year, the demand for Durum wheat, which is grown in the Imperial Valley is very strong. Durum wheat is used to make pasta and the world supply is in a tight position. During times of tough economic conditions for consumers, the demand for pasta actually increases as it is considered a low cost food for human consumption. Growers intentions are to plant more wheat and early acreage reports indicate an increase from 2008.

There is also a shift out of grass hay crops being farmed in the Imperial Valley. Acres of Klein grass

and Bermuda have decreased and will be lower in 2009 compared to previous years.

In 2008 acres of Bermuda grass was about 58,000 acres and is currently about 52,000 acres. This represents a decrease of about 11% for the 2009 growing season compared to 2008. In 2006 the acres was as high as 65,000 acres.

Acres of Klein grass has also decreased and will be lower for the 2009 growing season. In 2008 there was approximately 15,000 acres and currently we see about 14,000 acres. This represents a decrease of about 7%. Growers are considering to take out more acres of Klein grass and it is our estimate that acres could be down as much as 15-20% from last year.

While it is very early to understand grower intentions to plant Sudan, early indications are for less acres in 2009. In 2008 there was a lot of Sudan planted after wheat and the early planted acres were minimal. Many growers have now indicated they will not plant late Sudan in 2009 due to a slow export market. Growers are very concerned about the demand for Sudan and will take a more conservative approach. This is also why we are seeing a

decrease in Bermuda grass and Klein acres.

Earlier this week, California experienced the first large storm of the Fall season. This rain and snow was much needed as California has been experiencing a severe drought, with many growing areas extremely short on water needed to farm. If rain and snowpack are less than normal, alfalfa acres could be down 30,000 acres in California to approximately 920,000 total acres. This would be the lowest acreage in California since 1993.






BVT has been working closely with our core growers to assure them that while the current export market is slow, we do expect to see continued good long-term demand. Our core growers will continue to supply BVT with grass hay as their individual crop rotations and acres of grass hay change in 2009. It is important to show our growers good movement as we go into the 2009 new crop season.

Imperial Valley December 15, 2008 Acres Comparison






	Alfalfa	Bermuda Grass	Klein Grass	Wheat***
2008	129,412	52,328	14,324	48,530
2007	115,230	58,590	15,350	44,321
2006	132,142	65,527	15,227	17,616
2005	150,473	62,798	13,723	8,826
2004	140,547	62,922	14,144	
2003	146,912	68,291	14,150	5,462
2002	164,629	66,380	10,107	19,485
2001	183,045	66,005	10,172	30,704
2000	179,679	61,530	7,691	18,494
1999	179,993	52,250	3,014	19,669
	***Farmers continue to plant wheat			

The Weather

Imperial Valley

DEC 19	DEC 20	DEC 21	DEC 22	DEC 23
				
Partly Cloudy	Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy
High: 16° Low: 4°	High: 19° Low: 4°	High: 20° Low: 6°	High: 20° Low: 8°	High: 19° Low: 6°

Modesto

DEC 19	DEC 20	DEC 21	DEC 22	DEC 23
				
Showers	Partly Cloudy	Showers	Rain	Showers
High: 11° Low: 1°	High: 12° Low: 3°	High: 12° Low: 7°	High: 11° Low: 5°	High: 11° Low: 6°



 Everyone at Border Valley Trading wishes you, your families and your customers a Happy Holiday Season, Merry Christmas and a very prosperous and healthy New Year!

Border Valley Trading office will be closed on Thursday December 25th and Friday December 26th and will open with normal business hours on Monday December 29th. We will also be closed on Thursday January 1st, and be open from 8 AM till 12 noon on Friday January 2nd. Normal office hours will resume Monday January 5th.