

A.M.S. AG REPORT**May 11, 2008****AGRICULTURAL MANAGEMENT SERVICES, INC.**Tim White, Walter Myers, Wil Miller,
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Little to no rainfall this past week. The Mississippi River has dropped more than four feet. Farmers Grain Elevator at Waterproof, once cut off by the high water, is expected to open in time for wheat harvest which should begin within a week.

Cut and paste or click the following website to your browser if you want daily river stage updates:

<http://www.srh.noaa.gov/lmrfc/forecast/rva.shtml>

Another site recommended to us by Jacob Herrington is: <http://www2.mvr.usace.army.mil/WaterControl/new/layout.cfm>. This site gives local river stages on the Black, Ouachita, and Tensas Rivers as well as the Mississippi and Red Rivers.

FARM BILL - The following is from Jess Barr's (Louisiana Cotton Producers Association) newsletter:

05/09/08 Farm Bill Update

The major participants of the farm bill conference committee met behind closed doors early in this week before announcing an agreement on a new farm bill on Tuesday. This agreement was not finalized until Wednesday and alterations may continue to meet budget requirements. A press conference was held Thursday afternoon announcing the conference committee agreement.

During the press conference, House Agriculture Committee Chairman Collin Peterson, DMinn., told reporters that 73.5% of the funding in the bill goes to nutrition programs, while 16.1% is for commodities, crop insurance and disaster, a drop from the 28% in the 2002 Farm Bill. Conservation, specialty crops and cellulosic ethanol all were included in the bill as was an optional average crop revenue program in which farmers would take a cut in payments but receive a counter cyclical support.

Following the conference committee announcement Secretary of Agriculture Schafer held a press conference announcing the Administration's intention to veto this legislation. Part of his statement follows and further details are available at <http://www.usda.gov/wps/portal/usdahome>. I would not recommend listening to the press conference unless you need to raise your blood pressure.

Secretary Schafer commented, "Today, the United States House and Senate announced the completion of a farm bill that unfortunately fails to include much needed reform and increases spending by nearly \$20 billion.

At a time of record farm income, Congress decided to further increase farm subsidy rates, qualify more people for taxpayer support, and move programs toward more government control. We should not remove farm commodities from market forces and make them dependent upon government support programs.

In addition, Congress decided to include a new permanent disaster program. This program represents a return to outdated farm policy and questions the government's investment in crop insurance which was designed to protect farmers against low commodity prices and crop failures. This action will discredit farm programs and jeopardize public support for future farm bills.

Americans appreciate our farmers and ranchers and understand the uncertainties and risks that farming presents. However, they do not understand why their taxes should be used to provide payments to individuals with adjusted gross incomes of \$500,000 and higher, some of the wealthiest people in America. We are also concerned about a lengthy list of extraneous provisions that are not related to farm programs and have no place in this legislation.

For a year and a half, the Administration has been consistently clear that Congress needs to move forward with a good farm bill that the President can sign. They have failed to do so. This legislation lacks meaningful farm program reform and expands the size and scope of government. I have visited face to face with our President and he was direct and plain. The President will veto this bill."

While some details of the conference agreement are available (see the attached 12page pdf file), a formal conference report is still being developed and is supposed to be available to the public on Monday. No major changes are applicable to the 2008 crop and most provisions will be implemented for 2009.

The current estimate is that the House and Senate will begin floor debate on the bill on Wednesday, May 14. The House rules provide that debate and voting could be completed on Wednesday. The Senate allows more debate and the process could last for multiple days. Nevertheless, Congress could approve a farm bill by the end of next week. Remember that the current farm bill extension expires on Friday, May 16.

After Congress approved the bill, it seems very likely that President Bush will issue a veto. John Maguire indicated that once the bill is vetoed Congress can select a day to have an override vote. It takes a two-thirds vote to override a veto and the House will likely vote first. We will need at least 290 votes in the House and 67 votes in the Senate.

Congressional Contacts on Farm Bill Needed

Following the farm bill conference announcement, National Cotton Council Chairman Larry McClendon issues the following action alert.

IT IS VERY IMPORTANT FOR YOU TO CONTACT YOUR REPRESENTATIVE AND SENATORS TO ASK THEM TO SUPPORT THE CONFERENCE REPORT AND TO ASK THEM TO CONTACT THEIR COLLEAGUES TO URGE THEIR SUPPORT.

Personal phone calls to your Representative, Senators or their agricultural legislative assistants will be most effective. Contact information for Louisiana's Representatives and Senators and their Agriculture Assistants is as follows:

Congressman Rodney Alexander (2022258490); ag. asst. Jack Thompson,

Jack.Thompson@mail.house.gov

Congressman Charles Boustany (2022252031); ag asst. Michael Hare, michael.hare@mail.house.gov

Congressman Don Cazayoux (2022253901);

Congressman William Jefferson (2022256636);

Congressman Jim McCrery (2022252777); ag asst. Aimee Hartlage, Aimee.Hartlage@mail.house.gov

Congressman Charlie Melancon (2022254031); ag. asst. Chris DeBosier, Chris.DeBosier@mail.house.gov

Congressman Steve Scalise (2022253015);

Senator Mary Landrieu (2022245824); ag. asst. Elizabeth Craddock, Elizabeth_Craddock@landrieu.senate.gov

Senator David Vitter (2022244623; ag asst. Chris Stanley, chris_stanley@vitter.senate.gov

The conference report contains many of the cotton industry's priorities including:

- * Continuation of the target price, direct payment and marketing loan programs at or near current levels;
- * Adjustments in the world price calculation and loan premiums and discounts to enhance competitiveness in domestic and international markets;
- * Inclusion of a textile competitiveness payment to assist our domestic customers who are competing with heavily subsidized imports;
- * Mandatory storage credits;
- * Elimination of limitations on LDPs and marketing loan gains; enhancement of spousal eligibility; and expanded definition of farm income for purposes of the new means tests;
- * No change in beneficial interest rules used to determine loan deficiency and marketing loan gains;

Effective for the 2009 crop, the conference agreement does make significant changes to payment limitations and program eligibility including elimination of the three-entity rule, direct attribution of benefits and a significant modification of the means test first enacted in 2002. The conference report includes a new optional crop revenue program beginning in 2010 and a permanent disaster program. The legislation includes increased funding for nutrition, conservation and renewable energy programs. In addition, the legislation is completely paid for without use of tax increases or revenue raisers.

While certainly not perfect, this five year bill is preferable to a one or two year extension that would likely include significant changes to commodity programs and payment limitations and would then require a future Congress and Administration to write a new bill under even tighter budget constraints on farm bill spending. A strong bipartisan vote on the conference report in both the House and Senate will send an important signal to the President and possibly discourage a veto.

It will take a strong effort by our industry along with other commodity, conservation, nutrition and agribusinesses to ensure passage. Thank you in advance for your efforts.

WHEAT – No pest issues this week. Wheat drying down quickly; some of it due to disease pressure. Some early planted wheat was cut on Tuesday – moisture was 21%. Wheat harvest should begin in earnest by May 18.

CORN – Corn is in the V6 to V11 stage.

Corn borers found at 15 – 20% level in nonBt corn in northern Avoyelles Parish. Some corn on another farm was treated with a pyrethroid a week earlier. Fifty percent or less control was observed. Feeding in the whorls will not damage corn. One consultant has noted that some of the borers will move down the stalk and bore into the base of the stalk. We will continue to monitor this field and report observations. Application for second generation borers will be made on this infested field in approximately 17 days. Product of choice for this next generation will probably be Intrepid.

GRAIN SORGHUM – False chinch bugs by the thousands were observed in a field of grain sorghum in northern Avoyelles. In some cases they were attacking a few plants, but for the most part they did not appear to prefer grain sorghum as a food source. Brigade at 1/25 gal/ac was applied with 1 quart crop oil. Numbers had not been reduced after 72 hours. Numbers were dropping significantly after 96 hours, but we do not know if this was because the bugs moved or were eventually killed by the Brigade.

Annual grass is again the number one weed pest in grain sorghum. Many farmers do not use grass preemerge herbicides. Others applied it with burndown approximately 3 – 4 weeks in advance of planting and therefore have lost most of their preemerge effect. In other cases rainfall did not occur in a timely manner to activate the herbicide that was applied. The only control for grass after grain sorghum emergence is to post-direct Gramoxone after GS is a minimum of 16 – 24" tall.

The oldest grain sorghum is 16" tall.

SOYBEAN – Thrips by the hundreds have been observed on soybeans in the 1st trifoliolate stage of growth. Leaves are yellowing and puckered, but we have opted not to treat unless we observe more serious stunting. We expect soybeans to outgrow the thrips infestation if we can receive a gentle shower or two.

We continue to hear of slug problems, but have not yet lost any stand we are observing due to the pest.

COTTON – Oldest cotton is in the 5th true leaf stage and the youngest is still in the bag. Several hundred acres to be planted to cotton still being affected by seep-water from Waterproof to Ferriday.

There is 8 – 12% replanting occurring primarily due to planting too deep, planting on the side of the row, and/or lack of vigor in 555. In some cases all three causes were observed. We continue to observe some cotton planted 2" deep in silt loam soils. A stand is seldom obtained from that depth with the strongest seed and varieties much less with 555. We have also noted more planters running on the sides of rows this year. Even with mechanical guidance row huggers it has been difficult to hold the planters in the center of the rows.

Thrips applications (primarily 1/40 gal/ac of Bidrin) being applied to some of the oldest cotton, to most cotton not having Orthene applied as a seed treatment, and to cotton adjacent to wheat fields. Cool temps kept cotton from "outrunning" the thrips infestations that developed in the past ten days. Seed treatments are designed to last approximately two weeks after emergence.