



MAIC Newsletter

January, 2009

A Letter from the President

Now that the holidays are over, we can reflect on 2008 and start planning for the new year. Hopefully, everyone had an opportunity to spend time with family and enjoy the season.

Our next board meeting is scheduled for February 16th in Jackson prior to our annual Legislators dinner. Board members, please mark your calendars and make plans to attend. We certainly look forward to a great meeting with our representatives in Jackson.

Crop College 2009 is scheduled for February 17, 18, 19 in Starkville at Bost Extension Center. This event is co-sponsored by MAIC and provides an excellent opportunity to renew your consultant's license, commercial applicator's license, and get all of your required CEU's for the year – please encourage your co-workers and friends to register early and join us!

Please encourage anyone that you know to inquire about the MAIC Robert H. McCarty Endowed Scholarship. This scholarship is awarded annually to qualified students that are sophomores and up at MSU.

As we start the new year, many conditions that face us and our customers have changed drastically from just a few months ago. Fuel and fertilizer prices are down, but so are the commodity prices. We all face huge challenges to keep our customers in business, but challenges also provide opportunities – hopefully, we can seize these and make 2009 a great year for all.

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In The News

Legislators' Dinner - February 16, 2009

Crop College - February 17-19, 2009

Mississippi Seedsmens meeting February 20-22, 2009

The MAIC-Robert H. McCarty Endowed Scholarship will be increasing to \$25,000. Proceeds from our Silent Auction at the 2008 convention and money for a forestry workshop will bring the scholarship to \$25,000. At \$25,000, the interest will generate a \$1,000 scholarship each year.

Soybeans maintain top row crop spot in state

By Bonnie Coblentz, MSU Ag Communications

Soybeans rode increased acres and high prices to a second straight year as Mississippi's top row crop, increasing 15 percent to bring an estimated \$604 million to producers in 2008. Mississippi farmers planted 2.1 million acres of soybeans, 35 percent more than was planted in 2007.

"The increase was primarily due to excellent prices for soybean," said Trey Koger, state soybean specialist with the Mississippi State University Extension Service. "The other commodity crops had lower prices and high costs for inputs, especially for cotton and rice."

Soybean prices averaged \$11.25 a bushel in 2008. The 2007 average price per bushel was \$8.

Soybeans have become more popular the crop performs well in Mississippi and is comparatively inexpensive to produce when compared to other crops. Koger said he expects soybean acreage to increase again in 2009 based on fairly stable soybean prices and relatively high input prices for the other commodity crops.

"We have seen a 30 percent increase in statewide soybean yields over the past 12 years," Koger said. "The increase is due to factors such as earlier planting, earlier maturing varieties, better varieties, better weed management options, and much better scouting and management of insects, disease and irrigation."

Ongoing production challenges for the crop include high input prices, constantly fluctuating commodity prices and the economic situation making it difficult for many producers to get operating loans.

Soybean rust was found in 81 of the state's 82 counties in 2008, but it came late enough that it did not hurt yields. The Extension Service did not recommend any spraying for soybean rust.

Another challenge was excessive rains that came at harvest for early-planted soybeans.

The 2009 MAIC Convention is scheduled to take place at the Perdido Beach Resort July 21-25, 2009.



Jack McCarty, son of Robert McCarty, Butch Alpe and Jud Skelton, Director of Development for Agriculture/MSU Foundation

However, this rain gave a much-needed boost to drought-ridden soybeans planted late because of wet spring weather or double-cropping. In 2008, 400,000 soybean acres were double-cropped with wheat, which was more than normal.

The late planting also allowed higher insect pressure from soybean loopers. Angus Catchot, Extension entomologist, said soybean loopers were able to move into the state in high numbers while soybeans were still in production.

"Soybean loopers do not overwinter here. They migrate in each year from southern latitudes such as South America," Catchot said. "Anything we do to delay the crop exposes us to late-season soybean loopers."

Catchot said about 50 percent of the state's soybean acres were treated for this insect pest in 2008. Stinkbugs are always the No. 1 insect pest of soybeans because they infest nearly every acre every year. Catchot said bean leaf beetles are becoming a bigger issue each year because they are developing resistance to pyrethroid insecticides.

"When we make pyrethroid applications for stinkbugs, we're beginning to see more bean leaf beetles in the field afterwards," Catchot said.

Insecticide costs did rise some in 2008, but the biggest increases came from application cost, which has continued to rise.

"This is mainly due to the increase in fuel prices that affects the bottom line of every trip across the field," Catchot said.

In all, producers saw average yield losses of 5.1 percent to insects, down from the 6.8 percent lost to insects in 2007. Despite a few problems, soybeans look like a good crop again in 2009, and experts are predicting another increase in soybean acreage for the year.

Stay updated on industry news and events by logging on to the MAIC website, www.maicms.org

In The News

Crop values increase, profits remain variable

By Linda Breazeale, MSU Ag Communications

Agricultural economists are predicting Mississippi's 2008 crop values will reach a record \$5.9 billion, but cost-of-production increases have dampened most year-end celebrations.

Government payments are added to this production total, but John Anderson, agricultural economist with Mississippi State University's Extension Service, said strong markets caused a 35 percent reduction in these from \$591 million in 2007 to \$382 million in 2008. The result is a predicted 1 percent net loss on the state's total production value of \$6.3 billion.

"With historically high commodity prices, it's not surprising that we have a near-historic low in government payments," Anderson said.

"Mississippi's top two crops remain poultry with an estimated value of production of \$2.3 billion, up almost 9 percent from 2007, and forestry at \$1.2 billion, up almost 6 percent," he said. "Both were impacted by fuel cost increases. The poultry industry also had to deal with feed cost increases." Anderson said value of production and profitability are not the same.

"The quantity of a crop produced multiplied by market price equals the value, but it does not take into account the costs of production," he said. "Producers could still be going backward in terms of profitability."

Extension forestry specialist James Henderson said fuel costs pressed pine sawtimber prices downward even further, continuing a trend that started in the middle of 2007.

"Higher fuel costs drive up harvest costs, and those costs cannot be passed on during a time of low demand caused by the weak housing market," Henderson said. "That cuts into profits, and many logging firms are already operating at or below the breakeven point. Others were forced to close in 2008 or discontinue operations until the economy improves."

Soybeans will retain the No. 3 spot in Mississippi agriculture after replacing cotton in 2007. The estimated value of soybeans is \$604 million, a 15 percent increase from the year before, due in large part to acreage and market price increases.

Anderson said cotton, once king of Mississippi's crops, is now in eighth place among the state's crops.

Cotton's 2008 value is expected to decline 55 percent from 2007 to \$168 million and is not likely to recover much ground anytime soon.

"Cotton will probably go down again in 2009 because crops that compete for the land look strong by comparison. In fact, cotton will probably have to compete for resources with a stronger grain sector from now on," he said.

Other grain crops that are predicted to have strong values in 2008 include corn at \$352 million, rice at \$208 million and wheat at \$134 million.

Although corn is expected to have a value reduction of almost 32 percent from 2007, most of the decline is the result in acreage changes. Mississippi growers harvested about 240,000 fewer acres in 2008. Yields also were slightly down from the previous year.

Anderson said wheat acreage was high, and yields were much better than in 2007. Both combined to result in a 68 percent value increase in 2008.

"We can expect a dramatic drop in wheat value in 2009. Farmers will plant fewer acres because of market prices and fertilizer prices in the fall when planting decisions on wheat were being made," he said.

Anderson said the value for catfish, the state's fifth largest agricultural commodity, was up because production was up from the previous year. He estimated the value at \$257 million, up 7 percent.

On the livestock side of Mississippi agriculture, cattle/calves were estimated at \$180 million, a 9 percent decline in value; hogs were predicted at \$76 million, a 5 percent increase; and milk was valued at \$58 million, a decline of 12 percent.

"Prices on beef cattle were down significantly compared to 2007, mostly because of the general economy and fear of weak consumer demand. Exports also have weakened," Anderson said. "Hog export markets were very strong most of the year, but that situation deteriorated at the end of 2008. That could reduce the current estimates."

Other commodity estimates and their changes from 2007 include hay at \$124 million, up 2 percent; horticultural/other crops at \$94 million, down 2 percent; grain sorghum at \$19 million, down 44 percent; and sweet potatoes at \$73 million, up 10 percent.

**MAIC would like to thank the following companies for their financial sponsorship of our Web site and newsletter:
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