

## Nitro-Coat Debuts

You can now have your legumes coated at Smith Seed Services new state of the art coating facility, led by Brian Jaasko, a veteran in the coating industry. Over the next few newsletters, we intend on providing you with specific details on what we call

**"The NITRO-COAT Advantage!"**

### ADVANTAGE #1: Multi-Strain™ Rhizobia

Just like naturally occurring rhizobium in the soil aren't equally beneficial, those applied to seed can vary in quality and performance. NITRO-COAT rhizobium strains are specifically chosen for each seed type.

**Multi-Strain™ Rhizobium for Alfalfa** - Our Multi-Strain™ technology for alfalfas is an exclusive blend of four rhizobium strains, developed from over 30 years of research. While others only offer one strain, NITRO-COAT'S four-strain rhizobium is an added insurance policy.

**Rhizobium for Clovers** - With NITRO-COAT'S coating process you can be assured that only the top-performing and crop-specific rhizobia will be applied to ensure your clovers reach maximum nodulation, stand establishment, and yield potential.



*for legumes*

Next month we'll cover **"The Nitro-Coat Process"**. In the meantime, please contact Brian Jaasko at [brian@smithseed.com](mailto:brian@smithseed.com) or at 800-826-6327. Brian will also be available at The Western in KC. Also check out [NitroCoat.com](http://NitroCoat.com) after November 1.

## Market Watch (or better described as "Consumption Watch")

As fall consumption winds down, we enter the phase of "guessing" spring pricing. Below are a few VERY GENERAL observations about current market conditions... to be taken with a grain of salt, of course:

### A. The import/export effect:

Sometimes domestic seed prices are more a matter of foreign markets than our own domestic market. To an extent, import/export pressures are always a factor, even when they "feel" like they are a non-factor. At present and looking into the short-term outlook, there are a couple general points to note:

1. At present, there is no significant import pressure, nor is any expected in the near future. The likely reasons are two-fold: The weak U.S. dollar and soft consumption. In the past we have had all sorts of crops dumped on our shores including perennial ryegrass, orchardgrass, fine fescue



and tall fescue. But in the current trend of hand-to-mouth purchasing, even the few overseas "good-deals" aren't attracting buyers. As one respected person told me, purchases are being made based on consumption not opportunity.

2. Similarly, there is no significant export pressure, nor is any expected in at least the near future. Again, this is due primarily to soft global consumption. In the past, we have had domestic prices forced upward when export demand was high. Also, when our dollar was weaker than certain other currencies, the respective countries would respond with purchases, even ahead of their own demand. Recent examples include tetraploid annual ryegrass, tall fescue, and perennial ryegrass. But right now, the rest of the world is buying the same way we are: based on consumption, not opportunity. And like us, when the rest of the world feels better about their economy, they will likely return to traditional buying habits.

**B. The domestic effect:** In the meantime, we can pretty much focus on our own domestic supply/demand forces to be the dominating price drivers for the short term. Note: this does not mean regional supply or demand; it means the nation as a whole. Looking at only one region or your own consumption can be misleading. For example, the Southeast has had a pretty good seed movement this Fall, while the Midwest has had a hard time sloshing through the rain. Also, the South has had a nice late season run on annual ryegrass. Furthermore, inventory levels at the distributor level, in general, are very low. Most excessive inventory levels sit out West. Also, major price and production adjustment have already happened in numerous crops. Some of these crops are likely at the bottom. As consumption hopefully increases in 2010, we may see the "opportunity" feeling come back as well. Until then, it seems like the greatest factor is consumption.

## Ten Keys to a Profitable Forage Program

**Key #4 - USE LEGUMES WHENEVER FEASIBLE.** Legumes offer important advantages including improved forage quality and biological nitrogen fixation, whether grown alone or with grasses. Every producer should regularly consider on a field-by-field basis whether the introduction or enhancement of legumes would be beneficial and feasible. Once legumes have been established, proper management optimizes benefits. - From *"Ten Keys to a Profitable Forage Program"* - [www.uky.edu/Ag/Forage/Ten Keys.pdf](http://www.uky.edu/Ag/Forage/Ten%20Keys.pdf)