

# Ag Concepts® Circular



## Ag Concepts® Corp Moves Corporate Office

Ag Concepts® has moved its corporate office. Formally located at 410 South Orchard Street in east Boise, Idaho, Ag Concepts® is now located at 12552 W. Executive Drive in west Boise. If you have not done so already, please change your records to reflect this change of address. Mel Snider, President of Ag Concepts® Corp, originally purchased the office space on Orchard St in 2004. Ag Concepts® has enjoyed considerable growth over the past few years and needed to expand the office space to accommodate continued growth. The new office has plenty of room to utilize as further expansion is needed and is located in the heart of the business district of Boise, Idaho. The move will allow Ag Concepts® to continue to provide excellent service to our customers. Everyone is excited about the new building and in order to show off the new space an open house is scheduled for Thursday, December 18, 2008 from 10 AM -3 PM. Appetizers and soft drinks will be served. Anyone who is in the area is invited and will is welcome to come by and check out the new place!



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Ag Concepts® Wishes you a Safe and Happy Holiday Season!

## Ag Concepts® adds to Manufacturing Plant

Ag Concepts® is also feeling the need to expand their manufacturing plant located in Bliss Idaho. Ag Concepts® originally bought one 2000 square foot building in Bliss in 1989. As years progressed they also acquired the surrounding 13 acres. In 1994 a second building used for manufacturing was added, followed by an office and warehouse in 1997. Now Ag Concepts® has purchased another half acre of land located just west of the current land and a steel building will be built on this parcel. The new building is 60' by 120' and will be used primarily for warehousing product and for additional storage space. There is still plenty of land to expand on if needed so Ag Concepts® will be able to develop for future growth.



**“Farm incomes are strong this year, and farmers have cleaned up their balance sheets and so they are in pretty good shape going into this.”**

*Joshua Palmer of the Times-News on the Ag Loan Sector*

### Birth Announcement



Trey Reid, marketing and sales support for Ag Concepts®, and wife, Candice Reid, welcomed the arrival of the newest addition to their family on Monday, November 03, 2008.

Their beautiful daughter, Shyanne Grace Reid, was born weighing a healthy 8lbs. 7oz. and measuring 20.5 inches long.

We are so happy for Candice and Trey and look forward to getting to know little Shyanne.



## Ag Loan Sector Remains Strong

**By Joshua Palmer, Times-News Writer**

Twin Falls, Idaho - The economic turmoil on Wall Street has not reached the country roads of south-central Idaho, where a rural economic boom has meant farmers are not having much trouble getting loans to plant crops, buy land and replace equipment.

“The fundamentals of agriculture right now, in terms of income and opportunities, is good. There are profits to be made, so I think that is underpinning the willingness to lend to that sector,” said Jason Henderson, a branch executive with the Federal Reserve Bank of Kansas City.

The 10th Federal Reserve District - which encompasses Idaho, Colorado, Kansas, Nebraska, Oklahoma, Wyoming, and parts of New Mexico and Missouri - surveys banks each quarter for its agricultural credit conditions report.

Henderson, the Omaha branch executive who writes that quarterly snapshot, said although the official third quarter report will not be available until later this year, they have found anecdotally in talking to bankers that Wall Street’s financial troubles have not affected rural banks’ funding sources or changed their farm lending practices much.

“Their funding comes more from depositors, and that hasn’t been impacted, and so they have funds available,” Henderson said.

Although agricultural credit conditions have tightened somewhat as lenders ask more questions of farm borrowers and increase the amount of needed collateral, those are modest things, and the Federal Reserve Bank has not seen any sharp changes, he said.

“We’re unchanged at this point,” said Mike Hamilton, president of Farmers National Bank, based in Buhl. “Even if it does come to the point where we feel what’s going on in the national economy, we have a lot of equity to deal with it.”

Farm interest rates have been coming down over the last year and farm delinquencies are at historic lows. But agricultural loan demand in the 10th Federal Reserve District has risen sharply as farmers borrow more operating funds to cover the rising input costs.

Hamilton said Farmers National Bank is not projecting an increase in delinquent loans for this year.

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## Ag Loan Sector Remains Strong – continued

So many farmers have been able to obtain loans through their hometown banks that the agricultural loan volumes of government lenders like the Department of Agriculture's Farm Service Agency have actually gone down.

The Farm Service Agency - which offers both direct loans and government-guaranteed bank loans - is widely known as the lender of last resort for producers who cannot obtain commercial loans elsewhere. While the agency's loan numbers are almost identical to a year ago, the dollar volume of farm loans for this fiscal year is expected to be down about \$10 million in the state, said Arlyn Stiebe, the agency's farm loan chief in Kansas. The agency expects to finish the fiscal year with around \$91 million in farm loans, down from \$101 million a year ago. "The farm economy is the one bright spot," said Mike Woolverton, an extension grain market analyst at Kansas State University. "Farm incomes are strong this year, and farmers have cleaned up their balance sheets and so they are in pretty good shape going into this." They have also been buying equipment to replace older equipment, but not taking a worrisome amount of debt to do that, Woolverton said. Land values have also gone up, so their debt-to-equity ratio has actually gone down - leaving farm finances in good shape. But farmers and lenders alike still fret about the rising costs of fuel, fertilizer, seed and other farm inputs.

"We're seeing more request because of rising fuel prices and the cost of chemicals," Hamilton said. "But with commodity prices being as good as they have been, it's still looking pretty good."

## 2008 Palouse Dryland Spring Wheat Trial

Ag Concepts® Corp completed a dryland spring wheat trial with a grower in eastern Washington during the 2008 season. The grower was a first time user with an interest in improving the health of his soil and finding a way to better utilize the nutrients he was applying without sacrificing yield. A liquid blend fertilizer that included 130 pounds of N, 7.5 pounds P, no K, and 21 pounds S with 100 oz of molasses per acre was applied at planting on the untreated side. While spraying weeds 15 pounds N and one pound of P per acre were also applied. What the grower did not reveal was the change in fertilizer applied to the side treated with AgZyme®, Enhance, and Humaide 6%. The fertilizer application was reduced to 75 pounds N, 6 pounds P, no K, 15 pounds S, and 64 oz. of molasses along with 12.8 oz. AgZyme® and 32 oz. of Humaide 6% at planting. Enhance (7N - 28P - 4K) was applied at a rate of 64 oz. per acre while spraying for weeds. It should be mentioned that it was a very dry, cool spring well below normal with a hard freeze on July 10<sup>th</sup> (26 degrees). As can be seen from the pictures below, the treated side showed better growth and overall health, the drill rows were less visible and the color of the plants had a much greener look. It was a tough year for weather and grain yields on the Palouse; however the treated 100 acres held up and averaged 43 bu. while on the 100 untreated acres the yield was 39 bu. This was not a run away, but is evidence that the early root development and better nutrient and water utilization prevailed under stress conditions even with less fertilizer applied. Ag Concepts® corporate policy dictates that fertilizer reduction is not recommended, but this is an excellent example of increased fertilizer efficiency with the use of Ag Concepts® products.



## Avocado-Corn Salsa

- 2 small to medium ripe avocados, peeled, seeded, and finely diced
- 1 cup fresh or frozen corn kernels
- 2 medium tomatoes, seeded and finely diced
- 2 to 3 tablespoons lime juice
- 1 tablespoon finely chopped fresh cilantro
- ½ to 1 teaspoon minced hot green chili peppers
- ½ teaspoon salt

In a medium bowl, gently combine avocado, corn kernels, tomatoes, lime juice, cilantro, chili peppers, and salt. Cover and refrigerate until ready to be served.

Yields 1 & 1/2 cups.

## Plant Gears up for the 2009 Season

### Ag Concepts® Corp.

12552 W Executive Dr., Suite A  
Boise, ID 83713  
(208)388-1131  
(208)388-1130  
treyreid@agconcepts.com

The Bio-*Logical* Alternative

Find us on the Web:  
[www.agconcepts.com](http://www.agconcepts.com)



As production began to slow after the foliar season, our plant personnel got busy! This year, as with many in the past, Ag Concepts® is expecting growth in the coming crop season and many things need to be done in the off season to prepare. In the months between August and December maintenance has been performed on every piece of equipment and measures have been taken to ensure product quality and improve efficiency. Some of the maintenance measures include calibrating and lubricating machinery, cleaning storage and mixing tanks, and repairing pumps and lines between the tanks and filling machines. This will ensure no lag time when manufacturing and packaging begins. Continued quality control was assured by calibrating, adjusting, and repairing all of the scales and fill lines to be certain that our 2 1/2 gallon jugs are accurately filled to within ¼ of an ounce. Also, an additional filtering process was added to manufacture the cleanest product in the industry. The crew installed a new cap sealer for both the six head filler and the ten head filler to facilitate product quality and safety and eliminate the possibility of tampering after shipment.

In response to all the changes at the manufacturing facility, plant manager Ray Westra points out that "Ag Concepts® will be able to more efficiently produce the finest products in the industry while ensuring product quality and safety." With the expected growth in the 2009, some may be concerned that the equipment and personnel will be stretched to the limit. But, according to Westra, "With the state of the art facility and fantastic personnel here we are capable of producing much more product than we did in 2008." In fact, the production plant is capable of putting out between 3 and 4 million gallons of product during the 2009 season. By staying ahead of the curve and working hard in the off season Ag Concepts® can be sure to deliver quality products to our customers in the years to come!

Ag Concepts® Corp.

12552 W Executive Dr., Suite A  
Boise, ID 83713

