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Randy Ouzts**
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Dear Clearfield® Rice Customers,

This is the time of year when all of us in agriculture patiently wait for harvest and the outcome of another year's hard work. With this comes the hope that everything has gone as planned and the choices made were the right ones. The 2010 season, without a doubt, rattled many folks in the rice business. Growers, consultants, millers, and end users continue to feel the effects of last year's crop and many are still dealing with the aftermath. Milling and quality problems linger in old crop rice currently changing hands, and it has been a huge challenge for the industry to overcome.

The new crop, however, is shaping up to be a good one overall. Yields in the southern tier of the rice belt have been good to excellent, with a number of reports exceeding the 200-bushel mark with Clearfield varieties. Pre-harvest reports from consultants and growers in other states are highly optimistic, and while there have been shadows of the 2010 problems with heat, insects and high nighttime temperatures, the consensus is that most of these acres will make it to harvest with acceptable yields.

Of increasing importance to our business is the higher level of focus on grain quality with buyers and millers. Over the last decade, Horizon Ag Clearfield varieties have set standards for milling, quality and appearance expected by U.S. rice customers. Our ongoing 2011 field trials are closely tied to extensive quality evaluations being done by some of the most capable people in the rice business.

Work done with downstream customers via our mill partners is really paying off, with Kellogg's and other key rice consumers giving many of our Clearfield varieties preferred status. No one else comes close to Horizon Ag in this arena, and we expect many good things to come as we bring newer Clearfield varieties online and continue raising the bar for both yield and quality.

As with most businesses, buyers usually have the last word when purchasing commodities. The lessons from 2010 are creating a shift in dynamics for selling future rice crops. Chasing yields at the expense of quality is not going to solve end user and consumer complaints, and many growers are beginning to see this. We will continue to position our Clearfield varieties as the best answer for success on farm and at delivery, with unmatched quality and yield potential. Managing risks remains the key to profitability in rice production, and Horizon's portfolio is unmatched for meeting grower's needs.

Thank you for your support and best wishes to all as we move through the harvest. We wish all involved a safe and profitable season and look forward to ending this year on a positive note. It is shaping up to be a good one, and we will know soon enough how far we have gone since the 2010 crop.

Regards,



Randy Ouzts
General Manager



Harvest Report – Texas, Louisiana and Mississippi

The rice harvest in Texas and South Louisiana is moving along nicely as dry weather continues. The Texas crop is more than 90% harvested, and the overall Louisiana crop is about 60% complete with growers now cutting in all areas.

In Texas, west of Houston, CL151 growers have reported yields in the mid-50 bbls/acre range. Growers east of Houston continue to report yields between 173-187 bu/acre (48-52 bbls) with Clearfield varieties and are quite pleased. One grower near Winnie, TX reported 212 bu/acre (59 bbls) with CL151, which is outstanding for the area. Grain quality appears to be much better and mills indicate this to be a higher quality crop than last year. New crop CL151 is already being sold by Texas growers and prices reported have been good. Buyers are said to be paying up to \$0.75 cwt more than hybrids in this market.

In South Louisiana, CL111 has consistently averaged around the 50 bbls/ac range, and fields are showing good potential for ratoon cropping. Quality has been good with one grower reporting an outstanding milling of 63/71 at delivery. A grower in the Chataigneir, LA area has reported a tremendous CL151 yield of just under 250 bu/acre (70 bbls), the highest ever seen there with this variety, according to local seed dealers. The majority of the CL151 yields in south Louisiana have been in the mid-50 bbls/ac range and much more consistent than last year. In Welsh, LA, a Horizon Ag variety comparison plot recorded a yield with CL151 of 205 bu/acre (57 dry bbls), while another in Mamou, LA, was reported at 221 bu/a (61.5 dry bbls/acre). Growers that harvested CL261 early are reporting between 173-191 bu/acre (48-53 bbls) and quite pleased due to medium grain profit opportunities and the demand for this variety. Later yields with CL261 were a bit lower, but the overall yields were acceptable.

Growers in Central and North Louisiana have made good progress with harvest, and early yields reports are also promising. A grower from the Simmesport area said CL151 came in at 216-227 bu/acre, and also said it was equal to all hybrids on the farm. This again shows the yield potential of



CL151 continues to turn in big yield numbers and good quality reports this season.

Harvest Report – Texas, Louisiana and Mississippi (continued)

this variety when properly placed and managed for yield. CL151 remains the highest yielding rice variety available in the market, including all public releases.

The 2011 yield performance for all Clearfield varieties is how we expect them to perform under proper management. Reports of disease are significantly lower than 2010, and yields and quality are reflecting this, according to consultants and growers. The use of fungicides is an essential component for increased yields and quality, and LA growers have learned this over the last few years regardless of what is planted on the farm.

Mississippi

Growers in the South Delta began harvest around Aug 15 and early yields appear to be good to excellent. A Horizon Ag variety comparison trial in Hollandale, MS harvested on August 25, was recorded with the following dry weight yields:

- CL151 - 227 bu/acre
- CL111 - 217 bu/acre
- CL142-AR - 211 bu/acre
- CL152 - 207 bu/acre
- CL162 - 197 bu/acre
- CL181-AR - 184 bu/acre

Of particular interest for CL151 in this trial is that N rates were reduced significantly to alleviate lodging. The reported yield came from applications totaling only 138 units of N, which is a substantial reduction in fertilizer cost to the grower. Disease issues were also reduced with this lower N rate, and growers are looking very close at seed costs and fertilizer savings in our latest BMP change for CL151. Cup weights have been outstanding with some reports as high as 48-49 delivered to local dryers. A slight degree of lodging due to wind and storms has been reported across the state. However, the new directives for reduced seeding and N applications has really improved standability in CL151 according to growers.

A number of MS growers are reporting difficulty with harvest, especially with certain hybrids that are on the ground due to wind. Grain threshing has been difficult and the pace has been quite slow on these acres, though shattering has not been as seen in the past. The overall MS crop potential is very promising and most growers indicate that a full-blown effort will start by August 28th. The crop has been slow to mature in some areas and sodium chlorate is being used to lower moisture content so harvest activities can begin. We expect a significant number of acres to be harvested in the next ten days, weather permitting.



8275 Tournament Drive, Suite 255, Memphis, TN 38125
Toll Free 866-237-6167 • Phone 901-818-3070 • Fax 901-818-3117
www.horizonseed.com