



Winter 2011 Newsletter

*Christmas is finally here, so come on over
and have some cheer!*

Samson Christmas Party - Wednesday, December 21

The Samson staff cordially invites you to our annual Christmas Party and Open House on Wednesday, December 21, **10:00 am to midnight**. We're starting earlier this year to accommodate those who travel from out of state. We'll have cinnamon rolls in the morning, then lots of appetizers through out the day. Tours of the office and plenty of refreshments should provide for a festive day. If you are unable to make it, please accept our well wishes for a safe and happy holiday season and a prosperous new year!



Who is Samson?

We hear this from many of our customers and neighbors. Essentially, Samson is a diversified agricultural business that focuses on providing exceptional value to our customers. In a Christmas-time nutshell, we want to help people succeed in their endeavors. We have accomplished this by responding to our customer requests for particular services such as Age, NHTC, VQA certifications, providing risk management programs, compost fertilizers and a variety of consulting projects.

One of the benefits of this diversity is that we are able to share ideas across customer bases. Many educators will encourage people to read broadly to open the mind to more possibilities. However, for us, the broad base of customers that we work with daily allows us to learn from you and to think outside the box so we can develop more value added services and products for you, our customer.

For our PVP Suppliers

I am sure many of you have heard that the Japanese are considering raising the current age of imported beef from under 21 months to under 30 months. We have fielded a number of questions as to whether or not ranchers / feedlots should be certifying their cattle or operations. Our response is that the Japanese tend to move slowly in their policy processes. While we foresee a change, we do not know for sure if it will occur in the next 6 months or year. Therefore, we recommend that you stay with your current tagging and marketing programs and we will keep you informed as definitive changes occur.



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For our Commodity Brokerage Clients

2011 has been a volatile year with many prices reaching record levels due to tight supplies and strong domestic and export demand. As we look forward to 2012, we are faced with many of the same tightening supplies in the live-stock sector and potentially tight supplies in the grain sector. The uncertainty this year versus last year will be on the demand side.

European debt issues coupled with a potentially stronger dollar and improved grain production in China and South America will keep the market on the defensive as we start the new year. If the drought continues and stretches into the corn belt, it may offer some good pricing opportunities this summer for grain producers, however I do not foresee a return to \$8.00 corn without substantial improvement in the global economy. Soybeans will be under further pressure as South America competition appears to be strong after March 2012.

Live Cattle and Feeder Cattle should maintain substantial strength in 2012 as total beef production looks to decline 4.5% in 2012. At some point in time the drought in the southern plains will end, which will increase demand for heifers as ranchers begin to restock their pastures. The main challenge I foresee to prices is if the dollar returns as a safe haven for investors which could provide a double edge sword of decreasing exports while simultaneously increasing imports of beef. Fortunately, we have total meat supplies tightening which should mitigate that danger during 2012. Of course, we may also see a flight of investment funds from commodities which could create downward futures pressure providing great basis opportunities if previously hedged.

PLEASE NOTE THAT THERE IS AN INHERENT RISK OF LOSS ASSOCIATED WITH TRADING FUTURES AND OPTIONS CONTRACTS EVEN, WHEN USED FOR HEDGING PURPOSES. PLEASE CAREFULLY CONSIDER YOUR FINANCIAL CONDITION BEFORE INVESTING IN FUTURES AND OPTIONS CONTRACTS. FUTURES TRADING IS NOT SUITABLE FOR ALL INVESTORS.

For our Compost Users

Once again we have completely sold out of our feedyard's composted cattle manure. With escalating fertilizer prices, Servi-Tech Consulting estimated the value of Samson Compost at \$40.00 per ton. With our competitive pricing, it is very favorable to use compost for all the non-nitrogen fertilizer needs.

In February we will be adding a new compost spreader that will be GPS fitted for the fields that are grid sampled. It will also be a larger unit to allow us to cover more acres in less time. We will have enough compost available in the spring to get all the bugs worked out for next fall's application.

We are currently looking for other materials to compost to increase our supply offering next fall. If you are wanting to try compost in 2012, contact us soon to get your needs secured.

