
MarketWatch

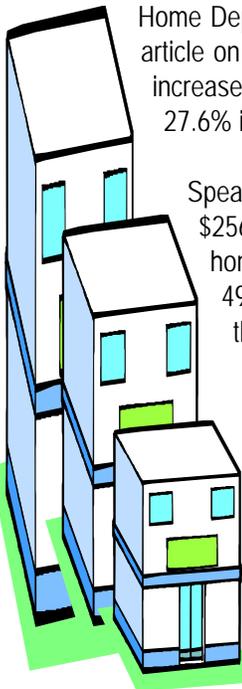


As the grass starts to green up, even in the northern parts of the country, we are seeing good initial retail orders and great shipping activity. This would be one reason why most all markets are either very stable or a bit stronger. Third quarter movement was above average on Annual Ryegrass, thanks mostly to exports. Carryover will be the smallest in ten years. As a result, the price continues to strengthen. Clovers also strengthened in March as supplies dwindled, again largely due to exports. Bargain hunters who had hoped for perennial ryegrass deals have had little to no success and are finally coming to realize that there simply aren't any bargains, especially poa-free seed (*we only have a very few lots still available.*) The next few months will be very interesting, especially if the industry has strong spring sales.

Crop Watch

"New plantings of perennial ryegrass look good and crops, overall, have never looked better", according to our fieldman, "Blind Dave." Rainfall is below normal and no rain is forecast this week. Farmers are driving trucks loaded with fertilizer in fields without worry of getting stuck. This is unusual. Obviously, we will need several inches of timely rains the next couple months to fill the barns again.

Retail Giants Continue to Grow



Home Depot, Lowes, and Ace Hardware all had impressive gains in sales and profits this past year, according to a recent article on the big box stores. Net sales at Home Depot rose 11% to \$64.8 billion. Profits increased to \$4.3 billion, a 16% increase over the previous year. At Lowes, sales for the year were up 18.1% to \$30.1 billion, with earnings of \$1.88 billion, a 27.6% increase. Same store sales increased 6.7%. Ace had \$100.7 net income year, increased over 2002 by 22.7%.

Speaking of big retail giants, can you guess the name of this company? They have over 4,900 store worldwide, netted \$256 billion in sales last year and employ 1.2 million people? Approximately \$13 billion of those sales was from 'core home channel categories'. This same company has budgeted \$12 billion for store expansion in 2004, hoping to 460-490 new stores worldwide! Yes \$12 BILLION for new store expansion!! Need another clue? The word "always" is in their slogan. If you guessed Walmart, you were correct. They too, boasted increased sales - up 11.6%, with same-store sales for the company's US stores rising 4.1% for the year and profits increasing 13.3%. And with their huge capital budget, they expect to add 220-230 Supercenters, 50-55 discount stores, 35-40 Sam's Clubs and 25-30 small format Neighborhood Markets in the U.S. this next year. With the addition of 130-140 units internationally, the new selling space totals approximately 50 million square feet. - (from Home Channel News - March '04)

How's this relate to the seed business and of what concern is this to us? Simply put, you will find Smith Seed Services your ideal partner, whether you market to the mass merchant or to the independent retailer. Want to design your own product and packaging line? *We can do it!* Already have an existing line and need a packager and shipper? With our ability to package up to 2 million lbs per week and our 200,000+ square feet of warehouse space, and unparalleled warehouse/packaging crews, *we can do it!* Whatever piece of the pie you want to

chase, remember, Smith Seed Services is your ideal partner!

Hunting Season Opens...On Weeds, That Is

If your company or customers you sell to are in the weed killing supply business, there is a nifty tool on the web called WeedAlert.Com. It has regional information on which weeds are getting ready to germinate, full descriptions and photos of hundreds of weeds. Each weed link includes a description of the weeds characteristics and both cultural and non-cultural practices to prevent/remove them. Might be good information to pass on, or to use as a guide for promoting specific herbicide applications/purchases.

