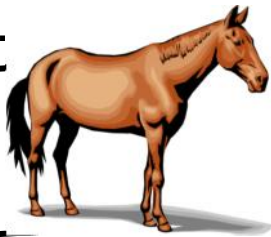


Notes from....



Serrano Creek Ranch Equestrian Center

JUNE 2008

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As a general rule, I try to write the newsletter with a positive tone. This one is a real exception.

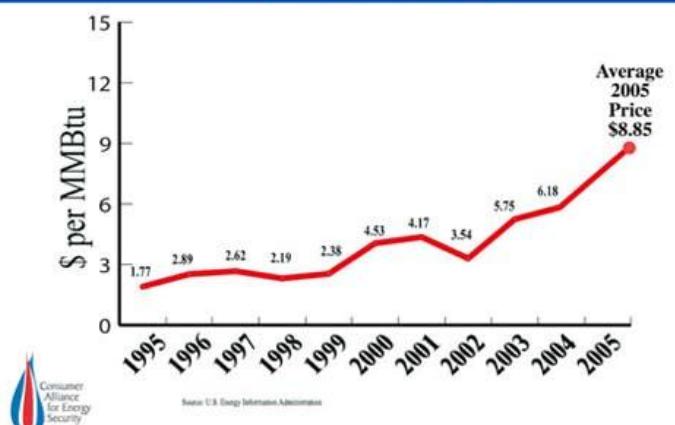
Lately the news is full of doom and gloom with housing prices collapsing, and fuel and food prices skyrocketing. Whether it's burrito for you or alfalfa for your horse, food prices are outpacing just about everything. As I see it, there are four drivers for this phenomena.

Ethanol: Bio fuels are seen as an alternative to our fossil fuel dependency. Over the last few years more and more corn has been diverted to ethanol refineries that are sprouting up throughout the Midwest like the spring corn that feeds them. The refineries use corn as the feedstock, which means that traditional uses of corn must compete with ethanol. When the supply is the same and demand increases, the only result is higher prices. A large percentage of the corn crop is used to feed animals. As corn prices rise, then farmers look to other sources of feed. Thus there is an overall increase in animal feeds, of which alfalfa is one.



Fertilizers: In 1915 two scientists (Haber & Bosch) invented a process of converting the nitrogen in the air (which plants are unable to use), into a form of ammonia which they can. This process requires the air be compressed to 200 atmospheric pressures and heated to over 1,000 degrees. The result is a very potent fertilizer that replaced traditional used animal fertilizers. This new synthetic fertilizer allows farmers to achieve yields much higher than had traditionally been the case. Unfortunately this fertilizer is tied to the price of the natural gas it consumes. Natural Gas prices are rising dramatically which means that the farmers' costs are being

U.S. Natural Gas Prices



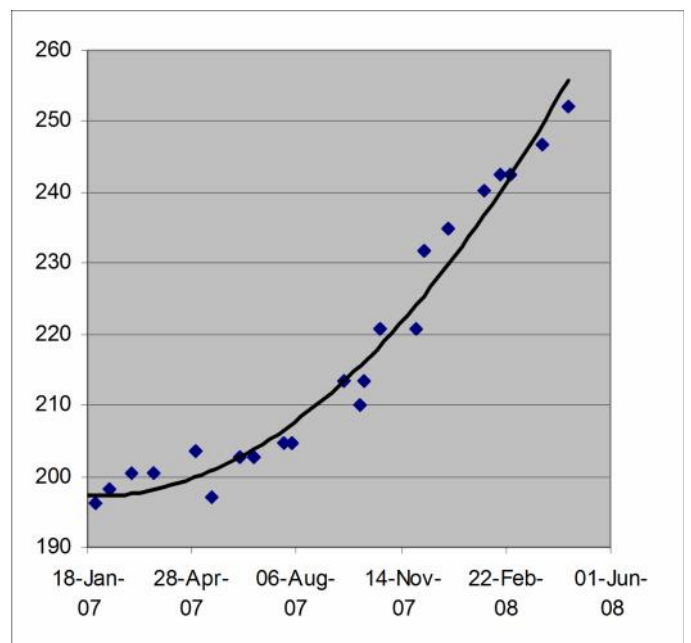
Source: U.S. Energy Information Administration

increased. Combined with shortage in general as more land is pressed into farming, fertilizer costs have increased by 200% in the last year.

Diesel: The modern farming economy in which 2% of the population feeds the other 98%, runs on machines. And these machines that plant, cut, harvest, and transport, all run on diesel. Diesel prices have outstripped even gasoline prices as other economies such as China and India modernize. Again these costs are passed along to the consumer.

Weak Dollar: Americans buy more from other countries than we sell. This means that the world is awash in dollars, and like any other supply and demand condition, the dollar becomes cheaper (devalued). As the dollar becomes worth less, for other countries American products become cheaper to buy. With modern containerized shipping being so efficient, buyers of commodities can shop the world for the best price. Even if they buy half way around the world, it can still be cheaper, than buying that product from your own country with currency differentials. This means that American consumers must not only compete with each other for farm products, they now must compete with folks from around the world.

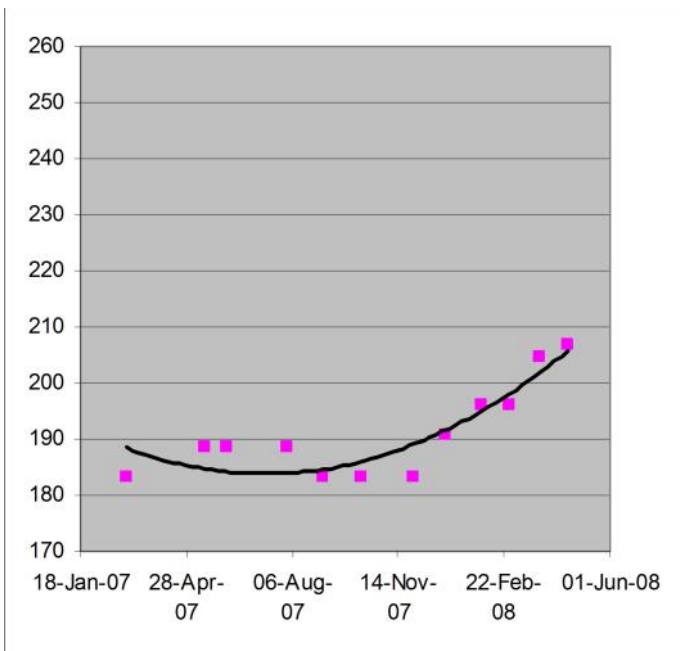
The net result is that the stable has seen obscene increases in hay costs. From January 2007 to today, alfalfa hay has increased 30%. During that time the price of board has been increased a mere 3.5%. Meaning that the stable been absorbing these increases with ever increasing severity.



One glimmer of hope is that historically bermuda grass has tracked evenly with alfalfa. Of late that has not been the case and the increase in bermuda prices has been very minor.

At this point I wouldn't recommend turning on the oven and putting your head in, if only because of the

(Continued from page 1)



price of natural gas. But the here's the bad news.

Effective July 1st the feeding price schedule will be raised as follows:

	Cubes	Alfalfa	Grass
1/2	15	36	30
Full	29	56	47

Other combinations not listed will be adjusted accordingly.

For new boarders who come after in after July 1st, the other boarding costs will be increased by 4-5%. Those who are already here will not experience the increase until January 1, 2009



2008 July Fourth Parade

Come join the fun on Friday, July Fourth and participate in the 17th annual Lake Forest Parade. This year's parade theme is "Lake Forest Rocks on the 4th"

We ride our horses down Lake Forest to Toledo and over to Ridge Route, the start of the parade. We then turn around and participate in the parade, stopping briefly in front of the judges (we stop and face the judges for a moment so try to keep up as we approach the judging area) and then we ride back to the stable after the parade from the corner of Lake Forest and Serrano.

Decorate you and your horse in red, white and blue, a patriotic theme. Suggestions for the horses are ribbons in the mane and tail, colored hair spray to use with cutout stars, sparkles or spray paint for the hooves, wraps for the legs or anything you can think of your horse will tolerate. I attach a small flag to the top of the mane with a wire attached to a clip. Hair spray also works to put glitter on the horses.

For trainers, please notify Janet immediately at

jancosgrove@yahoo.com if you will be having a group come with us and email me a couple of sentences about your group for the announcers. I will need this by June 15. Any questions can also be emailed to this address.

You must be mounted and ready to ride out the back of the stable by 9 A.M. the morning of the Fourth. Please be on time as we need to stay together and ride out together. Any rider under the age of 12 must have an adult with them. If you are taking a very young rider I suggest you have someone meet you at the start of the parade and not have them ride all the way there before the parade.

The Parade Committee has been very kind to us lately and allowed us into the first third of the parade so tell your friends and families to look for us toward the first of the parade.

Due to some rather strong persuasion over the years they have begun to take the horses into consideration as it has been very hot some years. Encourage your family and friends to take pictures for you.

We cannot do the parade without our own pooper scoopers so if you do ride, please take a moment to thank our volunteers who have been with us for several years now. They seem to enjoy their job and keep asking to come back!

As a reminder, you may not throw out any candy or anything else from horseback or we can get thrown out of the parade.

Also, at the judges' stand there are cameras filming for Cox Cable Network. If you call Cox or check their schedule the parade is usually shown the same day as the parade and then again a few times over the next few days so you will get a chance to see yourself in action. It is important to go by the cameras in single file to try to get noticed. Even then they do not always get every one of us.

Hope to see you there!
Janet Cosgrove

