

Shrinking hay stocks build hope for higher prices

By DAN WHEAT
Capital Press

ELLENSBURG, Wash. — The amount of old crop hay stored on Pacific Northwest farms is down 38 percent from a year ago, marking a return to normal inventories that growers and exporters hope will help rebuild prices.

There were 330,000 tons of hay on Washington farms on May 1, representing 10 percent of 2016 production. That's down 17 percent from a year earlier, according to USDA National Agricultural Statistics Service.

Oregon totaled 270,000 tons at 7 percent of 2016 production and down 39 percent from a year ago. Idaho was at 510,000 tons or 10 percent of 2016 production and down 46 percent from a year ago.

NASS said 2.09 million tons moved off Idaho farms from Dec. 1 through May 1, 2.03 million left Oregon farms and 1.17 million tons were sold from Washington farms.



Dan Wheat/Capital Press

Fresh cut triticale at Independence and Maple Grove roads northwest of Sunnyside, Wash., on May 4. Dairies have in the past five years increasingly turned to it as a cheaper alternative to alfalfa.

A year ago hay stocks were up 16 percent from the year before as hay remained backlogged from a labor dispute slowing down West Coast seaports in 2014 and 2015. Weather also contributed to an oversupply of lower-quality feeder hay.

Lower inventory is due to a lot of acres coming out of production last year because of low prices and a long cold winter and cool spring requiring a lot more feeder hay for cattle, said Shawn Clausen, a Warden, Wash., hay grower and vice president of the Washington State Hay Growers Association.

"Normally cattlemen feed

hay 60 days in winter and this winter it was more than 120 days in the whole Northwest," Clausen said.

"Snowpack covered feed that would have been available, like corn stalks, so cattlemen had to feed twice as much hay and it cleaned up a lot of off-quality hay," he said.

Growers and exporters have had to sell large amounts of hay at below break-even prices, but now with oversupply gone there's a chance for prices to improve if weather allows a good 2017 harvest of less acreage, Clausen said. Mark T. Anderson, CEO and president of Anderson Hay & Grain Co. in Ellensburg, one of the largest West Coast hay exporters, said low milk prices in the U.S. and China are limiting dairy demand for alfalfa in both countries.

"We are waiting to see what will drive energy into

the alfalfa market. Pricing has been low and we need to see improvement in that. It's hard to get margin," Anderson said.

The Timothy inventory has cleaned up well. The Timothy market is healthy and, depending on the weather, it should regain good pricing this summer, but alfalfa is questionable, he said.

Prices bottomed out at around \$75 per ton for feeder hay in December and January and \$105 to \$110 per ton for good export quality, Clausen said. Those prices are well below production costs, he said.

Now feeder hay is up to about \$100 per ton and there isn't any export hay, he said. Quality, which is dependent on the weather, will determine new export hay prices, he said.

Supreme and premium alfalfa reached \$300 to \$370 per ton in California in 2014, driven by a hay shortage before the port slowdown. Feeder grade was \$220 to \$240.

By the end of 2015, supreme and premium was \$180 per ton and feeder hay was under \$150.

"It's a good thing to have less inventory, but it's been painful and we can't sustain low prices. We will go broke if we keep this up another year or two," Clausen said.

Early cuttings this spring in California have been damaged by rain, which should increase demand for premium Northwest product, he said. But Anderson said he doubts California damage is enough to help Northwest sales.

Dairies are spot buying alfalfa when they need to, not locking up inventory for a year ahead like they once did, Clausen said. They also have turned more to triticale, a rye-wheat cross, in the past five years that along with corn makes cheaper feed, he said.

Clausen normally starts his first cutting alfalfa about mid-May but last year started April 20 because of the warm, early spring. Warm weather produced high yields, contributing to oversupply.

This year's cooler spring means his first cutting will be between May 20 and June 1 and he believes his yield will be down 15 percent.

Alfalfa swathing started May 1 in the Tri-Cities.

"The weather forecast for the rest of the month is not positive for putting up hay," Clausen said. "If we can put up a good premium product, there will be demand for it. If the weather is such that everyone puts up feeder hay, we will overload the market."

Idaho ag export value increases for first time since 2014

By SEAN ELLIS
Capital Press

BOISE — After declining for two straight years, Idaho ag exports reached positive territory during the first three months of 2017 when compared with the same period in 2016.

The total value of Idaho farm product exports increased 1.3 percent to \$210 million during the first quarter.

That's the first time Idaho ag export value has experienced a quarterly, year-over-year increase since the fourth quarter of 2014.

Idaho set records for ag export value from 2011 to 2014 but that string came to a halt in 2015. Idaho exports totaled \$724 million in 2016, down 8 percent from 2015 and off 28 percent from 2014.

During 2015 and 2016, Idaho ag export value decreased every quarter when compared to the same period the previous year.

Dairy is Idaho's largest farm commodity in terms of cash receipts, followed by beef cattle. Rising dairy exports were a big reason for the first-quarter turnaround.

USDA is forecasting U.S. dairy exports will be 20 percent higher in fiscal year 2017, said Doug Robison,

Northwest Farm Credit Service's vice president of agriculture for Western Idaho.

"This, combined with recent improvements in the beef market, has contributed to the stabilization of ag exports from Idaho," he told Capital Press in an email. "The export outlook remains positive for 2017, with some overall improvement expected."

Idaho dairy product exports totaled \$42 million during the first quarter, a 20 percent increase over the same period in 2016.

Included in the dairy category, Idaho exports of cheese and curd increased 64 percent to \$21 million, while whey exports decreased 22 percent to \$12 million.

More than \$45 million worth of Idaho farm products in the "edible vegetables" category were also exported during the quarter. Kidney beans and chickpeas were the top exports in this category, followed by peas, lentils and black beans.

Idaho oilseed exports totaled \$34 million, down 20 percent from last year.

A category that includes mostly dairy proteins totaled \$21 million, a 4 percent increase, and a category that includes mostly malt barley decreased 20 percent to \$18 million.

U.S. beef one step closer to Chinese access

By CAROL RYAN DUMAS
Capital Press

The Trump administration's announcement Thursday night that access to Chinese markets for U.S. beef will begin by July 16 is fanning the fires of optimism among U.S. cattlemen.

The U.S. has been locked out of the world's largest beef import market for the past 13 years. Restoring access to China has been a top priority for a long time, National Cattlemen's Beef Association President Craig Uden said during a press call Friday.

China banned U.S. beef in December 2013 after bovine spongiform encephalopathy was found in a Washington state dairy cow.

Restoring trade with China would give U.S. beef access to 1.4 billion new customers — a fifth of the world's population — and a middle class that is larger than the entire population of the U.S., he said.

"This would give us the opportunity to grow. All trade is important, but working with China will be a huge benefit to the U.S. beef industry," he said.

China represents 12 percent of the world beef trade and has a growing appetite for beef, he said.

Exports account for more



Matthew Weaver/Capital Press File

Cows stand in a feedlot in Eastern Washington. China is reopening its doors to U.S. beef.

than \$300 per head of finished beef cattle slaughtered in the U.S., and that value will continue to grow with China in the market. In addition, NCBA expects China would be interested in the same beef products popular in other Asian countries — products that don't see high demand in the U.S. — boosting the overall value of a carcass, he said.

China has seen tremendous growth in beef demand over the last five years, and there's a lot of opportunity there for U.S. beef, said Kent Bacus, NCBA director of international trade and market access.

"There's a lot of unmet demand in China. We're looking forward to seeing just how high this demand can go," he said.

Only one more round of technical consultations between the U.S. and China stand in the way of restored access. That round will determine the protocol for access, and it is yet unknown how much of the current U.S. beef production would be eligible.

LEGAL

STATE OF OREGON OREGON ALFALFA SEED COMMISSION P.O. BOX 688 ONTARIO, OR 97914 NOTICE OF ALFALFA GROWERS COMMISSION HEARING PUBLIC BUDGET HEARING TO: ALL OREGON ALFALFA SEED GROWERS

Notice is hereby given that a public hearing will be held pursuant to ORS Chapter 604, Section 14, Oregon Laws 2003, on Tuesday, June 6, 2017 at 7:00 p.m. at Matsy's Restaurant, 1241 SW 4th Ave., Ontario, Oregon 97914.

The hearing will be upon a proposed budget for operation of the Oregon Alfalfa Seed Commission during the fiscal year July 1, 2017 through June 30, 2018.

At these hearings, any producer of alfalfa has a right to be heard with respect to the proposed budget, a copy of which is available for public inspection, under reasonable circumstances, in the office of each county extension agent in Oregon.

Interested persons may comment on the proposed budget in writing to the Commission business office, address above. Comments to be received by June 3, 2017.

For further information, contact the Oregon Alfalfa Seed Commission business office; P.O. Box 688, Ontario, Oregon 97914, telephone 541-881-1335. TDD 503-986-4762.

Dan Cutler, Chairman Oregon Alfalfa Seed Commission May 10, 2017

LEGAL

REQUESTS FOR INFORMATION - RFI #167169 TO PROVIDE Biosolids Storage and Reuse Services Closing Date: June 2, 2017 at 4:00 PM

The City of Salem ("City") is seeking information of potential opportunities to partner with qualified agricultural entities in a municipal biosolids storage and reuse program. The intent of the program is to store biosolids during the winter wet period, October through June, for subsequent application as a fertilizer and soil amendment during the June through October period. The City would expect the interested parties to provide storage facilities, application services, and suitable land for the program. The City of Salem produces Class B biosolids cake.

Questions or to request a Request for Information packet email: sself@cityofsalem.net. Shawna Self, CPPB, Contracts & Procurement Manager. legal-19-2-1/#T1D

LEGAL

NOTICE OF BUDGET HEARING NOTICE HEREBY IS GIVEN THAT A public meeting will be held pursuant to ORS 578, the Oregon Wheat Commission Act, at the Sage Center, 101 Olson Road, Boardman, OR 97818, on Wednesday June 7, 2017 at 10 a.m. reviewing the proposed budget for the operation of the Oregon Wheat Commission during Fiscal Year July 1, 2017 through June 30, 2018.

At this meeting, any person has the right to be heard with respect to the proposed budget, a copy of which is available for inspection at the Oregon Wheat Commission office, 1200 NW Naito Parkway, Suite 370, Portland, OR 97209-2800. Dated this 11th day of May, 2017

ATTESTED: Darren Padgett, Chairman Blake Rowe, CEO 20-4/#4



TIMOREX GOLD®

THE NEW GENERATION OF BIOFUNGICIDES

Introducing Timorex Gold® fungicide for control of the most common fungal and bacterial diseases in specialty fruit and vegetable crops. Flexible enough to use early in the season to keep disease pressures low and late in the season thanks to its short PHI and REI, Timorex Gold keeps you in charge of your disease control program. And, with Timorex Gold's unique mode of action and FRAC code, it is the ideal tank-mix and rotational partner. Add Timorex Gold fungicide to your spray program this season and reap the harvest of your good choices.

Ask for Timorex Gold at your local Simplot Grower Solutions dealer!



Broad Spectrum Activity Against Plant Pathogens

- No Residue Restrictions
- Non-toxic to Bees and Beneficials
- Excellent Resistance Management Tool
- Unique Mode of Action



www.timorexgold.com

Joyce Capital, Inc.

In agriculture, nothing is certain. Your interest rate should be.

We offer competitive interest rates for your agricultural financing needs:

- Term agricultural loans (purchases & refinances)
- FSA Preferred Lender
- Amortizations up to 25 years

CONTACT: Kevin Arrien, or Joe Lodge at Joyce Capital, Inc. Agricultural Loan Agents (208) 338-1560 • Boise, ID joe@arrien.biz

