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This week's Market Overview
 New crop alfalfa hay trading picking-up but what is slowing trading is the amount of hay with higher moisture or weeds. A grower in Kern County sold clean Supreme alfalfa hay with the right moisture at a price close to what he received a year ago. **(Sales in narrative of report fob stack for current move unless specified otherwise, dollars per short ton)**

Limited amount of Supreme new crop alfalfa hay going up with a lot of hay with faults. One broker said he looked at quite a bit of alfalfa hay from Fresno to Kern County and most was higher moisture or with weeds & grass, very few stacks of clean Premium to Supreme alfalfa hay with the right moisture. Alfalfa hay has been cut in Merced County and as far north as the Stockton Delta. First trade on boot stage wheat for silage with mature wheat 10 days off.

In Kern County, **Dairy: New Crop:** 500 tons Supreme alfalfa hay small bales \$247 fob stack, direct sale to local dairy, 125 tons with little high moisture and a little fox tail \$230; 1,520 tons high Good to Premium alfalfa hay, mainly small bales, \$235 to \$241, mostly \$240, 350 tons that tested better than it looked and part high moisture \$225; 375 tons Good alfalfa hay small bales with 20 to 22% moisture \$195 fob stack, 650 tons with grass \$180 to \$185.

In the High Desert, **Retail: Old**

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Market Indicators...	Unit	Most Recent	Week Ago	Year Ago
CA FMMO Uniform (blended) Milk Price-Tulare	Cwt. *	Mar \$15.15	Feb \$14.24	N/A
USDA Milk Mailbox Prices ** December 2018				
California (CDFA Oct 2018 & year ago)	Cwt.	N/A	Nov N/A	\$17.02
New Mexico	Cwt.	\$13.69	Nov \$14.34	\$15.27
Oregon/Washington	Cwt.	\$16.69	Nov \$17.05	\$17.22
Class III Milk Futures –CME (May 2019)	Cwt.	\$15.78	\$15.48	\$14.70
Milk Cost of Production - Holstein Dairies				
S. J. Valley (Frazer, LLP) First half 2018	Cwt.	***\$15.86		***\$16.14
CME Spot Cheese Prices				
Block Cheese (40# blocks)	\$/Lbs.	\$1.6450	\$1.6600	\$1.6050
Barrel Cheese	\$/Lbs.	\$1.6175	\$1.5750	\$1.4600
All Hay Exports From West Coast Ports (U.S. Census Bureau) Jan 2019				
California Ports	Metric	147,093		141,787
Washington Ports	Tons	144,260		130,439
Rolled Corn Dlvd to Magic Valley ID Dairies	\$/Ton	\$188	\$189	N/A
Rolled Corn Dlvd to Central CA Dairies	\$/Ton	\$198	\$200	\$200
No. 2 Yellow Corn – FOB Iowa (USDA)	\$/Ton	\$123-\$129	\$124-\$129	\$126-\$134
Ethanol Price – FOB Iowa (USDA)	\$/Gal	\$1.19-\$1.40	\$1.18-\$1.38	\$1.32-\$1.55
Crude Oil – New York Futures (May 2019)	\$/Barrel	\$63.89	\$63.08	\$67.39
Alfalfa Hay Prices – (The Hoyt Report)				
California – Dlvd to Tulare/Hanford Dairies				
	Tons			
Supreme	50	\$/Ton \$280	\$275-\$290	\$285-\$300
Premium	2,940	\$/Ton \$260-\$268	\$260-\$278	\$260-\$290
Good	425	\$/Ton \$250-\$255	\$240-\$250	No Sales
Fair		\$/Ton No Sales	\$225-\$230	\$225
Dlvd Escalon, Modesto, Turlock Dairies				
Supreme	350	\$/Ton \$265-\$276	\$265-\$280	\$285-\$290
Premium	300	\$/Ton \$260-\$275	\$260-\$275	No Sales
Good	100	\$/Ton \$240-\$248	\$240	\$250
Fair	50	\$/Ton \$218	No Sales	\$210-\$225
Idaho – Alfalfa Hay Big Bales, FOB Stack				
Supreme (Eastern ID)	1,800	\$/Ton \$165-\$175	No Sales	No Sales
Premium		\$/Ton No Sales	\$160	No Sales
Good		\$/Ton No Sales	\$160	\$140
Fair	500	\$/Ton \$150	\$145	\$95-\$115
WA/OR (C. Basin) Alfalfa, FOB				
Supreme big bale (Dairy)		\$/Ton No Sales	\$240	No Sales
Premium big bale (Export)		\$/Ton No Sales	No Sales	No Sales
Good big bale (Export)		\$/Ton No Sales	\$185	\$170
Fair/Good (Feedlot/Dairy)	400	\$/Ton \$195	No Sales	\$130-\$135

*Prices include \$0.38 cent cwt deduction for quota assessment ** Total receipts less marketing costs & assessments. ***Does not include return on investment and management costs. BB – Big Bales

Crop: 175 tons Premium retail alfalfa \$290 fob barn. Load Premium 3-way grain hay \$285.

In Tulare, Kings, and Fresno Counties, **Dairy: New Crop:** 150 tons Supreme alfalfa hay with 25% moisture \$225; 1,225 tons Premium alfalfa hay \$235 to \$240 fob stack, the \$240 hay were big bales and \$235 hay small bales or with few weeds, 1,400 tons Premium alfalfa with higher moisture or more weeds \$195 to \$210, 150 tons 30% moisture \$130; 425 tons high Good/low Premium alfalfa hay small bales \$220 to \$225, 350 tons with higher moisture and weeds \$210 to \$215 delivered. 75 tons Premium bearded wheat hay big bales \$140 fob stack. 450 tons dryland Good beardless wheat and oat hay mix big bales \$130, to be cut next week, no rain. 5,000 tons boot stage wheat for silage \$40 standing, based on 68% moisture. **Dairy: New Crop Contract:** 3,000 tons big bale wheat straw \$95 to \$100 fob stack, pay as it moves.

In Los Banos-Dos Palos and Merced, **Dairy: New Crop:** 400 tons Premium alfalfa hay with around 10% weeds \$200 fob stack. **Dairy: Old Crop:** Premium beardless wheat hay big bales \$175 fob barn.

In the Imperial Valley, moderate demand for dairy alfalfa hay with prices steady and good demand for Supreme big bale export alfalfa hay with prices steady to firm compared to last week. More market participation from export buyer's.. Contacts reported more interest for Supreme big bale alfalfa hay from buyers for the Chinese market. First report of new crop bermuda grass hay for export. Retail alfalfa and bermuda hay prices steady. Windy conditions early in the week scattered some alfalfa and bermuda windrows. Reports of heavy bug pressure with some fields being sprayed twice. **Dairy:** 540 tons Premium/Supreme alfalfa hay big and small bales \$220 to \$225, couple loads big bale high test \$230, 1,650 tons Premium alfalfa hay big and small bales \$210 to \$215 fob stack, 1,450 tons small bales with weeds, bug damage, or high moisture \$200 to \$205; 400 tons Good alfalfa hay big and small bales \$180 to \$190 fob stack. **Export:** 12,980 tons Supreme alfalfa hay big bales \$230 to \$238, mostly \$235 fob stack; 1,415 tons Premium export alfalfa hay small & big bales \$215 to \$225, mostly \$220. 100 tons new crop Premium bermuda hay big bales \$180 fob stack. **Retail:** 240 tons Premium retail alfalfa hay \$260 to \$265 fob barn, 155 tons new crop \$245 to \$250; 350 tons new crop Premium stable alfalfa hay \$235 to \$240 fob stack. 185 tons old crop tarped Premium retail bermuda hay \$210 to \$215, 100 tons new crop Premium retail bermuda \$205 fob stack; 110 tons old crop tarped Premium stable bermuda hay \$180 to \$185.

In Blythe, moderate to good demand for dairy alfalfa hay with prices steady. Moderate demand from export buyers with prices steady compared to last week. The area saw wind early in the week, but conditions have been good for alfalfa hay production. **Dairy:** 2,100 tons mostly Supreme alfalfa hay big and small bales \$215 to \$220 fob stack, mostly \$220, 560 tons grassy or some weeds \$210; 2,500 tons Good to low Premium alfalfa hay \$205, for storage, buyer will wrap. **Export:** 1,140 tons Premium/Supreme alfalfa hay big bales \$215 to \$220 fob stack. **Retail:** 775 tons old crop Premium retail alfalfa hay \$260 to \$265 fob barn; 185 tons new crop \$255 fob stack; 250 tons new crop Premium stable alfalfa hay \$240 to \$245; 175 tons new crop Good stable alfalfa hay \$220 to \$230. 140 tons Premium 3-way grain hay \$170 fob stack. 150 tons old crop Premium retail bermuda hay \$235 fob barn.

In Tracy-Patterson, Modesto, Stockton, and Lodi, new crop alfalfa hay harvest has begun. Not enough sales or decent comparison to test trend on limited dairy alfalfa hay. Retail hay prices steady. **Dairy: Old Crop:** 25 tons Supreme alfalfa hay \$255 fob barn; 50 tons low Premium alfalfa hay \$230; 50 tons Fair alfalfa hay \$200 fob barn. 150 tons Premium beardless wheat hay big bales \$180 fob barn. **Retail: Old Crop:** 160 tons Premium alfalfa hay \$250 fob barn; 50 tons Good retail alfalfa hay \$240. 75 tons Premium beardless wheat hay \$185. 75 tons Premium retail oat hay small bales \$185. 25 tons Premium 3 way grain hay \$185. 50 tons Premium retail orchardgrass hay \$340 fob barn.

In the Sacramento Valley, some growers will start cutting new crop alfalfa next week. Retail alfalfa hay prices steady. **Retail/Stable: Old Crop:** 375 tons Premium retail alfalfa \$240 to \$260 fob barn; 75 tons high Premium stable alfalfa \$240. Load Premium retail orchardgrass/fescue hay \$240. 100 tons small bale rice straw \$3.50/bale, for erosion control.

In the Northern Mountains, hay trading quiet. A few retail hay sales steady. All hay was in barns in the Northern CA Mountains. It keeps raining in the Mountains but looks like a drier forecast after next Monday. **Dairy:** 75 tons Premium alfalfa hay \$205 fob barn. **Retail:** 150 tons Premium alfalfa hay \$240 to \$250; Load Good retail alfalfa hay \$200. 150 tons Premium retail orchardgrass hay \$290 fob barn. 150 tons Premium retail orchardgrass/alfalfa hay \$280, 100 tons Premium retail timothy hay \$340, 50 tons high Premium \$390 fob barn.

In Arizona, good demand for Premium/Supreme export alfalfa hay with prices steady to firm compared to last week. Moderate demand for dairy alfalfa hay with prices steady. Old and new crop retail alfalfa hay steady in good demand. Scattered showers late in the week stayed north of Central AZ. **Dairy:** In Central AZ, 1,100 tons Premium/Supreme alfalfa hay \$235 delivered to local dairy; 400 tons Premium grassy alfalfa hay \$195 fob stack. In Southwest AZ, 840 tons Premium alfalfa hay \$215, to local dairy. 500 tons old crop high density big bale wheat straw \$80 fob stack. In

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Parker/Poston, 650 tons Premium/Supreme alfalfa hay \$215 fob stack, 600 tons with weeds or high moisture \$210; 250 tons Good alfalfa hay small bales with weeds \$190, 750 tons very weedy/grassy \$170 to \$175. **Export:** In Southwest AZ, 7,200 tons new crop Premium/Supreme alfalfa hay big bales \$230 fob stack; 260 tons Premium alfalfa hay big bales \$215. In Central AZ, 2,000 tons Supreme alfalfa hay big bales \$215 to \$220, 800 tons high test \$225, some going straight into containers. **Retail:** In Central AZ, 670 tons old crop Premium retail alfalfa hay \$285 fob barn, two loads high Premium \$300 fob barn going to East Coast, 320 tons new crop \$275 fob barn; 75 tons old crop Good (#2) retail alfalfa hay \$265 fob barn, 350 tons new crop \$230 to \$240 fob stack, couple loads weedy \$205.

In Nevada, a couple of new crop export contracts on alfalfa hay with no comparison with a year ago but the Good export alfalfa hay was steady with a contract in Northern Nevada a few weeks ago. Slow trading on limited supplies of old crop alfalfa hay. All sales on big bales unless noted otherwise. **Dairy:** In Western NV, 250 tons top and part side tarped Supreme alfalfa hay with 19% protein \$200 fob stack. **Export:** In Western NV, 6,000 tons Good to Premium alfalfa hay, all four cuttings, \$187.50 loaded on truck, minimum 18% protein, any bad bales out, buyer will fully wrap the hay, rain clause but buyer will purchase rained on hay at market price, weekly payments until end of year; 5,000 tons Good (clean and green) export alfalfa hay \$170 fob stack, buyer will fully wrap hay, minimum 18% protein, rain clause, monthly payments, both deals for current to extended movement after the hay goes up. **Retail:** In Yerington, 100 tons Premium beardless wheat hay small bales \$160 fob barn.

In Idaho, alfalfa hay trading slow on old crop with prices steady where there was a comparison. New crop contracts steady compared to last week. Very strong prices on beef cattle hay in western Idaho as few buyers desperate for hay. Some growers in Southwest ID are on their third watering of alfalfa hay. Freezing temperatures hit some areas of the Magic Valley Friday morning but minimal damage to alfalfa hay. All sales on fob big bales going to the Magic Valley unless specified otherwise. **Dairy:** In Eastern ID, 600 tons Supreme alfalfa hay wrapped or in barns \$165 fob stack; 500 tons tarped Fair alfalfa hay \$150. **Dairy: New Crop Contracts:** In Southwest ID, 1,700 tons Fair to Premium alfalfa hay all four cuttings, \$150 for hay testing below 170 RVF and \$160 for hay testing above that, current move after going in stack, payments begin with first cutting and balance after last cutting, Magic Valley dairy. **Beef:** In Western ID, 70 tons tarped Good alfalfa hay \$200 fob stack; 300 tons tarped Fair alfalfa \$185, both sales short haul to feedlot. 75 tons meadowgrass/alfalfa mix big bales \$160 fob stack, to local feedlot. **Export: New Crop Contracts:** In Eastern ID, 17,000 tons export alfalfa hay big bales, Supreme \$170, Premium \$155, Fair to low Good \$140, rained on/weedy \$130, buyer will fully wrap hay, some money down after first cutting with balance paid as moved, extended movement. **Retail:** 1,200 tons tarped Premium/Supreme big bale alfalfa hay \$175 fob stack, to be repackaged into small bales to ship to the East Coast.

In the Washington-Oregon Columbia Basin, alfalfa hay trading at a near standstill. In a limited test, export timothy prices steady. Some exports contacts were in Asia visiting customers. Some growers interested in contacting new crop alfalfa for export but want price established when hay goes in the stack. Alfalfa is growing nicely with temperatures expected to be in the 70's by the end of next week. All sales fob on big bale wrapped stacks unless specified otherwise. **Dairy:** 400 tons Fair/Good alfalfa hay \$195 fob stack. **Export:** 300 tons #1 first cutting timothy hay big bales \$200 fob stack; 200 tons #1 second cutting timothy hay big bales \$160.

In Utah, alfalfa hay trading very slow with prices steady on limited sales. Some interest from export buyers to contract first cutting Premium/Supreme alfalfa hay. More snow and rain fell this week across the state adding to water totals already above average. With the late snow storms our contacts expect old crop hay stocks to be cleaned up. Dryland alfalfa farmers that saw low yields from drought the last two years anticipate good yields this year. **Beef:** 200 tons Good alfalfa hay \$195 delivered from barn to local dairy. **Export:** In Southern UT, 300 tons Supreme alfalfa hay \$215 fob barn.

Milk and Dairy Product Prices – The California FMMO milk price for March in Tulare at \$15.15 cwt. (after \$0.38 cent deduction for quota), was up \$0.91 cents cwt from February and dairy sources say the April price will be higher yet. Sources say that the atmosphere was more positive at dairy auction sales in Central CA the past week. In the Western United Dairymen newsletter this week it stated that the California Dept. of Food and Agriculture (CDFA) received a petition with 285 signatures to eliminate Quota (Quota Implementation Plan) in California. The Producer Review Board will review the merits of the petition and make recommendations to the CDFAs Secretary. Barrel cheese on the CME on Friday at \$1.6175, was up 4.25 cents from a week ago. Block cheese was down 1.5 cents from last Friday at \$1.6450 per pound. Nonfat dry milk was unchanged with a week ago at \$0.9875. Butter was down 1.25 cents at \$2.2575 and Dry whey at \$0.3575 was up 1.25 cents. Class III milk futures on Friday were up or down slightly from a week ago.

Dairy Cattle Prices – At the De Vries dairy dispersal sale in Tipton, CA they sold 900 Holstein cows and 900 heifers. Overall very nice quality cattle with strong demand. Most cattle stayed in CA. Top quality first through third lactation Holstein Cows \$1,400 to \$1,575 each with the overall average of the sale \$1,310 each. Open Holstein heifers ranged from

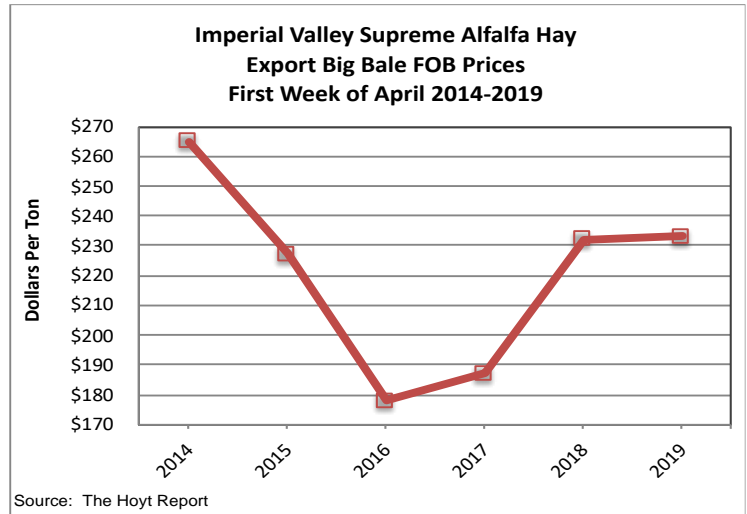
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\$1.15 to \$1.32 per pound; 75 head of Holstein Springer heifers \$1,500 each. At the Ed Brower dairy dispersal sale Thursday in Exeter, CA they sold 1,300 Holstein cows and 1,000 heifers. Very strong demand for excellent quality cattle with nearly all the cattle staying in CA. Top Holstein cows first through fourth lactation averaged \$1,500 each with dry cows averaging \$1,600 each. All heifers averaged \$1,080 each with two loads Springer heifers \$1,680 to \$1,725 each. Slaughter cows at Central CA auctions steady to \$2 higher with Breaking and better Boning Utility dairy cows \$62 to \$72.

Imperial Valley Big Bale Supreme Export Alfalfa Hay Prices Mostly Steady with Same Time Last Year – Prices on

Supreme big bale export alfalfa hay in the Imperial Valley the first week of April averaged \$233 per ton, compared to \$232 a year ago. Premium big bale alfalfa hay for export last week averaged \$218 compared to \$222 last year. Prices on Supreme alfalfa hay for dairies were down \$5 compared to a year ago with Supreme quality averaging \$222 the first week of April, compared to \$228 the same week last year. While a few dairies competed for higher testing alfalfa hay a couple of weeks ago, many central CA dairies were looking for Premium or Premium/Supreme alfalfa hay, some with faults, to hold down costs. Average prices on big bale export alfalfa hay in Imperial valley were running below last year but surged higher in late March. Contacts attributed this to above average rainfall in February and early March which delayed alfalfa hay production. Demand has been good from Middle East and Chinese buyers for big bale export alfalfa hay in Imperial Valley. Our contact in China said supplies of hay in China were tight due to dwindling supplies of dehydrated alfalfa hay from Spain and Chinese domestic hay.



Dairy Herds Decline - In late January the CA Dept. of Food and Agriculture reported there were 1,286 dairies in CA in 2018, 45 less than 2017. According to USDA, there were 480 licensed dairy herds in Idaho in 2018, 30 less than 2017. WA had 410 dairies, down 40 from 2017. Wisconsin had the most licensed dairies of any State at 8,500, down 590 from 2017. Total number of licensed dairies in the U.S. in 2018 at 37,468 were down 2,731 or 7% less than 2017.

New California Cattle Council – Sixty-eight percent of dairy and beef cattle producers in California voted in favor of implementation of the California Cattle Council. The \$1.00 per head assessment on the sale of live cattle is to provide resources to defend and promote live cattle production in California.

USDA Secretary Defends Roundup - A release from the California Alfalfa and Forage Assn. stated that USDA Agriculture Secretary Sonny Perdue defended the use of the weed killer Roundup after two cases resulted in multimillion-dollar jury verdicts against Bayer. Perdue said it would be “devastating” if Roundup was pulled from the market, adding that the product has “exponentially” increased production in the last 25 years along with other crop protection chemicals. He stated, “I’m afraid that while groups that oppose [Roundup] have not been able to win on the science side, they’ve chosen the litigation route. I’m hoping that the appeals court will see through this and make better decisions about that.”

Hay Exports- Alfalfa hay exports from the west coast in January to the five major countries were up 6%, even with the 5 year low shipments to China, according to U.S. Census Bureau export data. Exports to the Middle East remained strong in January with both Saudi Arabia and UAE posting strong gains over last year. Saudi Arabia exports at 36,982 were up 5% from December but up sharply from the unusually low number of 14,049 in January of last year. Alfalfa hay shipments to the UAE at 30,972 in January were up 13% from December but sharply higher than the 14,027 a year ago. Sometimes the monthly comparisons don’t give you as good of a picture as a six month or full year to year comparison. But the trend from the past six months shows that exports to these two countries are on the rise. It will be interesting to see if west coast alfalfa hay exports to the UAE continue at this pace when the trade dispute is settled with China. Alfalfa hay exports to South Korea from the west coast at 18,803 MT, were up 20% from January 2018 but 26% lower than December.

Best Regards, Seth & Josh

Alfalfa Hay Test Guidelines (used with visual appearance of hay)			
	TDN (90% DM)	RFV (100% DM)	CP (100% DM)
Supreme	55.9 and up	185 and up	22 and up
Premium	54.5-55.9	170-185	20-22
Good	52.5-54.5	150-170	18-20
Fair	50.5-52.5	130-150	16-18
Low	Below 50.5	Below 130	Below 16