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Happy Easter

This week's Market Overview

New crop alfalfa hay prices steady to firm between Kern and Fresno Counties. Trading on new crop alfalfa hay was still not in full swing in all of central valley with more sales expected from Merced to San Joaquin Counties next week. **(Sales in narrative of report fob stack for current move unless specified otherwise, dollars per short ton)**

New crop alfalfa hay prices in Central CA and first sales on mature wheat for silage in Tulare and Kings Counties all at the same prices as last year. One large contract on wheat straw in Fresno County was the same price the grower received last year. More dairies starting to show interest in buying alfalfa hay with Supreme alfalfa hay prices firming in Merced County late in week and 3,400 tons of old crop Premium to Supreme alfalfa hay sold into Tulare from Utah. Forecast for temperatures to reach mid-90's in Central and Southern S.J. Valley next week.

In Kern County, **Dairy: New Crop:** (nearly all small bales) 250 tons Supreme alfalfa hay \$255 fob stack, to local dairy; 1,625 tons Premium to Supreme alfalfa hay \$245 to \$254, some in top half of range to local dairies; 1,210 tons Premium alfalfa hay \$240 to \$245 fob stack; 270 tons high Good to Premium alfalfa hay \$230, includes 3 loads

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.	\$15.69	\$15.78	\$14.90
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.	\$1.6675	\$1.6450	\$1.6025
Barrel Cheese	\$/Lbs.	\$1.5150	\$1.6175	\$1.5000
All Hay Exports From West Coast Ports (U.S. Census Bureau) Jan - Feb 2019				
California Ports	Metric	311,065		302,736
Washington Ports	Tons	273,693		280,263
Rolled Corn Dlvd to Magic Valley ID Dairies	\$/Ton	\$186	\$188	N/A
Rolled Corn Dlvd to Central CA Dairies	\$/Ton	\$193	\$198	\$199
No. 2 Yellow Corn – FOB Iowa (USDA)	\$/Ton	\$123-\$129	\$123-\$129	\$124-\$132
Ethanol Price – FOB Iowa (USDA)	\$/Gal	\$1.18-\$1.40	\$1.19-\$1.40	\$1.36-\$1.60
Crude Oil – New York Futures (May 2019)	\$/Barrel	\$64.00	\$63.89	\$68.40
Alfalfa Hay Prices – (The Hoyt Report)				
California – Dlvd to Tulare/Hanford Dairies				
	Tons			
Supreme (old & new crop)	5,679	\$/Ton \$275-\$285	\$280	\$285-\$305
Premium	2,865	\$/Ton \$265-\$275	\$260-\$268	\$275-\$285
Good		\$/Ton No Sales	\$250-\$255	\$240-\$255
Fair (with foxtail \$177 dlvd.)	75	\$/Ton \$230	No Sales	\$225-\$230
Dlvd Escalon, Modesto, Turlock Dairies				
Supreme (old & new crop)	1,350	\$/Ton \$270-\$285	\$265-\$276	\$290
Premium	465	\$/Ton \$255-\$270	\$260-\$275	No Sales
Good	75	\$/Ton \$240	\$240-\$248	No Sales
Fair (stack damage \$200 dlvd)	25	\$/Ton \$228	\$218	\$225-\$230
Idaho – Alfalfa Hay Big Bales, FOB Stack				
Supreme		\$/Ton No Sales	\$165-\$175	No Sales
Premium	300	\$/Ton \$160	No Sales	No Sales
Good		\$/Ton No Sales	No Sales	\$135
Fair	400	\$/Ton \$150	\$150	\$115-\$125
WA/OR (C. Basin) Alfalfa, FOB				
Supreme big bale (Dairy)		\$/Ton No Sales	No Sales	\$150
Premium big bale (Export)		\$/Ton No Sales	No Sales	No Sales
Good big bale (Export)		\$/Ton No Sales	No Sales	\$165
Fair/Good (Feedlot/Dairy)	500	\$/Ton \$200	\$195	No Sales

*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

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that caught a light rain; 320 tons Good alfalfa hay, some with a little peppergrass \$220 to \$225; 100 tons Fair alfalfa \$207.

In the High Desert, **Dairy: New Crop:** 2,000 tons Premium to Supreme alfalfa hay big bales \$220 fob stack, current move to Central CA. **Retail: Old Crop:** 175 tons Premium alfalfa hay \$290 fob barn. Load Premium 3 way retail grain hay \$285.

In Tulare, Kings, and Fresno Counties, **Dairy: New Crop:** 450 tons Supreme alfalfa hay, mostly small bales, \$250 to \$260, the \$260 hay with short haul; 950 tons Premium to Supreme alfalfa hay small and big bales \$243 to \$245 fob stack, 1,200 tons old and new crop big bales \$270 to \$275 delivered; 1,265 tons new crop high Good to Premium alfalfa hay \$235 fob, 300 tons little dry with re-rake, shattery, or with grass \$215 to \$230; 325 tons Good alfalfa hay with grass or other faults \$175 to \$205; 50 tons Fair alfalfa hay with a little foxtail \$150 fob stack. 50,000 tons wheat for silage \$40 standing, based on 68% moisture. **New Crop Contracts:** 9,500 tons big bale wheat straw \$137 to \$140, mostly \$140 delivered to dairies when put up in June, 7,200 tons \$80 behind the harvester (in the windrow).

In Los Banos-Dos Palos and Merced, **Dairy: New Crop:** 1,185 tons Supreme alfalfa hay \$250 to \$260 fob stack, the \$260 hay was shorter haul, few loads higher moisture \$235; 115 tons Premium alfalfa hay \$245; 50 tons Good alfalfa \$220; 50 tons Fair weedy alfalfa \$165 to \$170. 1,000 tons Premium big bale beardless wheat hay \$150, to cut next week, no rain.

In the Imperial Valley, moderate demand for export and dairy alfalfa hay with prices steady compared to last week. Alfalfa hay trading slowed some from last week as some growers are between cuttings. Prices on big bale bermuda hay for export steady. First trade reported on kleingrass hay for export. New crop retail alfalfa and bermuda hay prices steady. Growers are spraying for aphids. Temperatures have been below 95 degrees and contacts report big bale export alfalfa hay is still testing well. The forecast calls for a steady climb to 100 degrees by next Friday. **Dairy:** 100 tons Supreme alfalfa hay big bales \$230, 1,000 tons direct sale to Southern California dairy \$235 fob stack; 700 tons Premium/Supreme alfalfa hay big and small bales \$220, load \$225; 870 tons Premium alfalfa hay big bales \$215 fob stack, 1,050 tons with bug damage or varying amount of weeds \$200 to \$210; 675 tons Good weedy alfalfa hay big and small bales \$180 to \$190 fob stack. **Export:** 4,815 tons Supreme alfalfa hay big bales \$230 to \$235, 450 tons high test \$238, 625 tons small bales \$215 to \$225, mostly \$220 to \$225; 660 tons Premium alfalfa hay big and small bales \$220 to \$225. 320 tons Premium bermuda hay big and small bales \$170 to \$175 fob stack; 350 tons Good bermuda hay big bales with oat mix \$130 fob stack. 100 tons Premium kleingrass hay big bales \$170 fob stack. **Retail/Stable:** 165 tons old crop Premium retail alfalfa hay \$260 to \$265 fob barn; 375 tons new crop \$245 to \$250 fob stack; 180 tons new crop Good retail alfalfa hay \$225 to \$230 fob stack. 100 tons Premium stable alfalfa hay \$230. 100 tons new crop high Premium Giant bermuda retail hay \$235 fob stack; 50 tons old crop tarped Premium retail bermuda hay \$210 to \$215.

In Blythe, dairy and alfalfa hay prices steady with moderate to good demand. Good demand for retail alfalfa hay with prices steady. Rain moved through the area on Tuesday with damage to alfalfa hay that was down. **Dairy:** 3,825 tons Premium/Supreme alfalfa hay \$215 to \$220 fob stack; 840 tons Premium alfalfa hay big bales \$205. **Export:** 1,870 tons Premium/Supreme alfalfa hay big bales \$215 fob stack; 870 tons Premium alfalfa hay big bales \$200 to \$210. **Retail/Stable:** 300 tons old crop Premium retail alfalfa \$260 to \$265 fob barn, 875 tons new crop \$240 to \$250 fob stack. 125 tons Premium retail bermuda hay \$235 fob barn, load \$250; 50 tons Premium retail 3-way gran hay \$215, load \$205.

In Tracy-Patterson, Modesto, Stockton, and Lodi, few sales on new crop alfalfa hay at prices about the same as last year. First contracts on beardless wheat hay and wheat straw. Nice weather in forecast & alfalfa hay production is in full swing. **Dairy: New Crop:** 300 tons Supreme alfalfa hay with 23% protein \$250 to \$255 fob stack, 100 tons higher moisture \$230; 200 tons Good/Premium alfalfa hay small bales \$225; 75 tons Fair alfalfa with grass \$190. **New Crop Contracts:** 1,000 tons Premium beardless wheat hay big bales to go up in early May \$130 fob, no rain. 1,000 tons big bale wheat straw to go up in June \$95 fob stack. **Dairy: Old Crop:** 100 tons Supreme higher test alfalfa hay \$260 fob barn, sold last week; 175 tons Premium alfalfa hay \$230 to \$240. 200 tons Premium big bale beardless wheat hay \$175 to \$180 loaded on truck. **Retail: Old Crop:** 250 tons Premium alfalfa hay \$250 fob barn; 175 tons Good retail alfalfa \$230. 50 Premium oat hay \$180. 125 tons Premium retail beardless wheat hay \$185. 100 tons Premium retail orchardgrass hay \$340.

In the Sacramento Valley, no sales on new crop alfalfa hay, many growers will be cutting in the coming week. Old crop retail alfalfa hay prices steady. **Dairy: Old Crop:** 50 tons Supreme alfalfa hay \$210 fob barn. **Retail:** 325 tons Premium I alfalfa hay \$240 to \$260 fob barn. Load Premium orchardgrass/fescue hay \$240. 60 tons small bale rice straw \$3.50/bale.

In the Northern Mountains, Retail hay prices steady, no sales reported on dairy alfalfa hay. **Retail: Old Crop:** 150 tons Premium alfalfa hay \$240 to \$250 fob barn. 150 tons Premium retail orchardgrass hay \$290 fob barn. 150 tons Premium orchardgrass/alfalfa hay \$280. 100 tons Premium retail timothy hay \$340, 50 tons high Premium \$390 fob barn.

In Arizona, moderate demand for Premium/Supreme export and dairy alfalfa hay with prices steady compared to a week ago. Retail alfalfa hay prices steady in good demand. Unexpected showers moved through Central to Southern AZ catching some hay on the ground. Rainfall mostly light except for a little more rain in Poston/Parker. **Dairy:** In Southwest AZ, 1,000 tons Premium/Supreme alfalfa hay \$215 fob stack; 600 tons Premium alfalfa hay \$205, 600 tons with weeds or cotton stalks \$190. In Parker/Poston, 680 tons Premium alfalfa hay \$205 to \$210, 1,200 tons with weeds \$190 to \$200. **Export:** In Southwest AZ, 2,000 tons Supreme alfalfa hay big bales \$230 fob stack; 1,100 tons Premium to Supreme alfalfa hay big bales \$215. In Central AZ, 800 tons Premium/Supreme alfalfa hay big bales \$220. **Retail:** In Central AZ, 320 tons new crop Premium retail alfalfa hay \$270 to \$275 fob barn, 750 tons \$235 to \$250 fob outside stack; 75 tons old crop Good (#2) retail alfalfa hay \$265 fob barn, 450 tons new crop \$220 to \$230 fob outside stack. In Parker/Poston, 350 tons new crop Premium retail alfalfa hay \$240 to \$250 fob stack. 75 tons old crop Good retail bermuda hay \$200 fob barn.

In Nevada, very quiet this week on hay trading with limited alfalfa hay sales steady. No reports of inquiry from exporters for new crop alfalfa hay contracts. **Dairy:** In Diamond Valley, 225 tons Supreme alfalfa hay (57 TDN) \$200 fob barn. In Northern NV, 25 tons Supreme alfalfa hay \$215 fob barn; 25 tons high Good alfalfa hay \$180 fob barn. In Western NV, 75 tons un-tarped low Premium alfalfa hay with stack damage \$180 fob stack; 75 tons un-tarped Fair alfalfa hay \$150.

In Idaho, in a limited comparison prices steady on old crop alfalfa hay in slow trading. New crop contract prices steady with last week. Interest from dairy and beef cow buyers to contract new crop Fair to low Good alfalfa hay. Sources say there will be very little carryover of old crop alfalfa hay. A few growers in Southwest ID expect to start cutting new crop alfalfa hay by the second week of May. All sales on fob big bales going to the Magic Valley unless specified otherwise. **Dairy/Beef:** In Eastern ID, 300 tons Premium alfalfa hay \$160, tarped or in barn; 400 tons tarped Fair alfalfa hay \$150 fob stack. In Western ID, 225 tons Fair alfalfa hay \$175 fob stack, for local feedlot. **Export New Crop Contract:** In Eastern ID, 25,000 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.

In the Washington-Oregon Columbia Basin, alfalfa hay trading very slow with not enough sales to fully test the market. No export trades reported. With new crop fast approaching some dairy and export buyers said they are not in the market till new crop. Contacts report most 2018 alfalfa hay has been cleaned up. Some growers and export buyers reported working on new crop contracts. **Dairy:** 500 tons wrapped Fair/Good alfalfa hay \$200 fob stack, short haul to local dairy.

In Utah, quiet this week on alfalfa hay trading with few sales reported to dairy and beef cattle buyers. Some interest from California dairy buyers for the last of the unsold barn hay. **Dairy/Beef:** In Southern UT, 500 tons Premium alfalfa hay \$190 fob barn, going to Central CA dairy; 200 tons Fair alfalfa hay \$170 fob barn, going to Southern CA dairy for dry cows. In Central UT, 300 tons Good to Premium alfalfa hay \$190 fob barn, going to local feedlot and lambing ewes.

Harris Ranch Beef Sells - It was reported in the Western Livestock Journal that Harris Ranch Beef which includes Harris Feeding Company and Harris Ranch Beef Company have sold to Central Valley Meat Company in Hanford, California. None of the other Harris Farms' entities – Harris Farms Hospitality Division, including the Harris Ranch Inn and Restaurant, Farms Division, Horse Division, and River Ranch were involved in the acquisition.

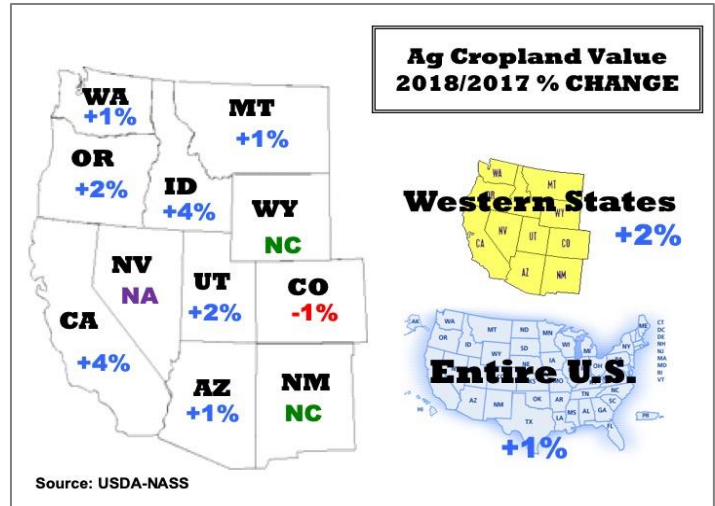
Dairy Cattle Prices - At Overland Stock Yard in Hanford, CA this week Holstein and Jersey Springer heifers sold from \$1,100 to \$1,450 with a few to \$1,500 to \$1,550 per head. Overland will sell the McClintock dairy in Coolidge, Arizona on May 11 with 2,900 Holstein cows and 2,300 heifers selling at the dairy. Slaughter cow prices steady at auctions in Central CA with Breaking and Boning Utility dairy cows trading from \$60 to \$70 cwt.

Dairy Product Exports and Domestic Prices – According to the U.S. Dairy Export Council, U.S. dairy exports in February totaled 160,457 Metric Tons (MT), while up from the previous three months they were still down 14% from the strong exports in February 2018. The one positive was cheese exports totaled 32,515 Metric tons (MT) up 16% from February of last year. Dry whey exports were down 29% with shipments to China down 60%. African Swine Fever and tariffs were severely impacting sales to China and holding down overall U.S exports. U.S. dairy exports in February were the equivalent of 14.3% of U.S. milk production in February. According to the Fresno Bee, Hilmar Cheese Company reached an agreement to sell its Turlock milk powder facility to Visalia-based California Dairies Inc. The deal is expected to wrap up in May. The Global Dairy Trade auction in New Zealand this week saw the all price index higher for the tenth consecutive auction, 0.5% higher than two weeks ago. This was the highest price since mid-2017. Barrel cheese prices on the CME dropped 10.25 cents this week to \$1.5150 while block cheese was up 2.25 cents at \$1.6675. Nonfat dry milk was up 1.25 cents to \$1.000 per pound, butter was up 2.50 cents to \$2.2825 and Dry whey was down 1.75 cents per pound. According to the Dairy & Food market Analyst, milk production in New Zealand in March declined \$7.5% due to drought. Recent rainfall was too late to turn around production before the end of the season May 31.

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U.S. Ag Cropland Values up 1%, Up 2% in the 11 Western States- The average value of U.S. cropland, irrigated and non-irrigated, was \$4,130 per acre in 2018, up 1% from 2017, according to USDA-NASS. This is a 136% increase between the years of 2004 and 2018. The 11 Western States saw a larger increase in land values, up 2%, with California and Idaho up the most from 2017. Conversely, net farm income for 2018 in the U.S. was down \$12.0 billion (16%) from 2017, according to USDA-ERS. According to economists, the record high net farm income from 2010 to 2013 helped many farmers pay down debt and build equity. This allowed some farmers to acquire land and kept land prices up slightly even while net farm income was down. California leads the nation on irrigated land values averaging \$13,800 per acre, followed by Washington at \$8,800 and Arizona at \$8,450. Cash rents for irrigated cropland in 2018 were up in California, Washington and Oregon and were relatively flat in other areas of the west compared to 2017. In California the average cash rent rate was \$528 per acre, Washington \$358 an acre, Arizona \$253, Idaho \$216 an acre, Oregon \$215 an acre.



Alfalfa Hay Exports – West coast alfalfa hay exports in the first two months of 2019 to the five leading export countries totaled 342,142 metric tons (MT). This was 2% below the 347,490 MT in the first two months of last year, according to the U.S. Census bureau. The decrease in alfalfa hay exports to China were about an offset in gains to the Middle East and Japan. Alfalfa hay exports to China in January and February 2019 totaled 73,880 MT, down 54% from 159,027 MT a year ago. Exports to China did increase from January to February, going from 25,461 MT to 48,419 MT. Our contact in China expected Chinese buying to rebound some in February and that did happen. A domestic contact also stated that tight hay supplies in China would bring Chinese buyers back to the West Coast for quality alfalfa hay. Alfalfa hay exports to Saudi Arabia from the west coast (Long Beach) the first two months of 2019 totaled 62,293 MT, up 47% from the 42,486 MT last year. Alfalfa hay exports to the UAE rose the most of any of the five countries up 34,917 MT, or 138% higher than the 60,211 MT the first two months of last year. Alfalfa hay exports to Japan from the west coast in January-February totaled 110,145 up 27% but Japanese port data showed 71,520 MT for the same period, up 21%. Alfalfa hay exports to South Korea at 35,613 MT in January-February, were 5% higher than same period last year and 13% higher than two years ago.

Surface Water - The U.S. Bureau of Reclamation raised the CVP water allocation to agricultural water service contractors in central California to 65%, many of whom thought even 80% would have been disappointing. Allocations for municipal and industrial contractors in Central California were increased to 90% of their historical use. The snow survey in early April showed snowpack in the Sierra Mountains of California at 162% of average.

Lower Basin Drought Plan – The Imperial Irrigation District (IID) has filed a lawsuit to suspend the Lower Basin Drought Contingency plan until an environmental analysis has been completed. The plan was recently passed by Congress and signed into law by President Trump on Tuesday. According to the LA Times, in the lawsuit filed on Tuesday IID is alleging that the MWD violated the California Environmental Quality Act by not evaluating the impacts of committing to greater water cuts should they be necessary. IID fears that if cuts are required of MWD they will purchase more farm water thus reducing the amount of runoff that feeds the shrinking Salton Sea. Federal water managers and MWD officials have said the drought plan will not hurt the Salton Sea.

U.S China Trade Talks – The Wall Street Journal is reporting that U.S. trade official have set a tentative schedule to wrap up a U.S-China trade deal. The U.S envoy of trade representatives, including Treasury Secretary Steven Mnuchin, are set to travel to Beijing the week of April 29, while the Chinese envoy is coming to Washington D.C. the week of May 6. According to the article, negotiators are shooting for an end of May or early June signing ceremony. With many deadlines having come and gone these tentative face-to-face meetings are a good sign as most recent talks have been done via videoconference. Secretary Mnuchin said last week an agreement around the enforcement of the deal has been reached, but the question of which tariffs will be removed on each side remains unresolved. Best Regards, Seth & Josh

	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