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This week's Market Overview
 Moderate trading on alfalfa hay in Central California with prices on higher quality alfalfa hay steady and Fair alfalfa hay prices steady to weak. **(Sales in Narrative of report fob stack for current move unless specified otherwise, dollars be short ton)**

Trading picked up some this week on alfalfa hay. Due to bad weather in May, quality tests were down on alfalfa hay and supplies of Fair alfalfa hay were up. Supplies of higher quality alfalfa hay are light but dairies are not willing to pay above steady prices. Dairies are still only buying for short term needs. Some dairies are waiting to purchase alfalfa hay until they see what the quality is on first cutting alfalfa hay in Nevada and the Northern Mountains.

In Kern County, **Dairy:** 340 tons Premium alfalfa hay \$240 fob stack; 200 tons Good alfalfa hay \$210. **Retail:** 125 tons Good retail alfalfa hay \$245 fob stack.

In Tulare, Kings, and Fresno Counties, **Dairy:** 450 tons Supreme alfalfa hay \$245, 200 tons short haul \$255, 100 tons tested better than it looked \$235 fob stack; 600 tons Premium alfalfa hay \$235, 300 tons with a little grass or bleachy \$223, 450 tons rained on in stack \$200; 1,055 tons Good alfalfa hay \$207 to \$218, 400 tons rained on in stack \$170 to \$180; 1,300 tons Fair alfalfa hay \$200 fob stack,

Market Indicators...	Unit	Most Recent	Week Ago	Year Ago
CA FMMO Uniform (blended) Milk Price-Tulare	Cwt. *	May \$16.02	Apr \$15.54	N/A
USDA Milk Mailbox Prices ** February 2019				
California (CDFA a year ago)	Cwt.	N/A	Jan N/A	\$14.31
New Mexico	Cwt.	\$14.05	Jan \$14.01	\$12.95
Oregon/Washington	Cwt.	\$16.59	Jan \$16.54	\$15.13
Class III Milk Futures –CME (July 2019)	Cwt.	\$16.85	\$16.64	\$15.43
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.	\$1.7825	\$1.7525	\$1.5950
Barrel Cheese	\$/Lbs.	\$1.6050	\$1.5350	\$1.4500
All Hay Exports From West Coast Ports (U.S. Census Bureau) Jan - Apr 2019				
California Ports	Metric Tons	664,559		635,331
Washington Ports	Metric Tons	590,521		616,912
Rolled Corn Dlvd to Magic Valley ID Dairies	\$/Ton	\$219	\$210	N/A
Rolled Corn Dlvd to Central CA Dairies	\$/Ton	\$223	\$219	\$189
No. 2 Yellow Corn – FOB Iowa (USDA)	\$/Ton	\$144-\$156	\$137-\$149	\$114-\$125
Ethanol Price – FOB Iowa (USDA)	\$/Gal	\$1.38-\$1.47	\$1.32-\$1.50	\$1.28-\$1.50
Crude Oil – New York Futures (July 2019)	\$/Barrel	\$52.51	\$53.99	\$65.06
Alfalfa Hay Prices – (The Hoyt Report)				
California – Dlvd to Tulare/Hanford Dairies				
	Tons			
Supreme	1,150	\$/Ton \$270-\$285	\$275-\$285	\$285-\$297
Premium	1,850	\$/Ton \$250-\$270	\$255-\$270	\$270-\$285
Good	830	\$/Ton \$240-\$250	\$240-\$245	\$245-\$270
Fair Overgrown \$200-\$210	2,030	\$/Ton \$210-\$230	\$220-\$225	\$225-\$240
Dlvd Escalon, Modesto, Turlock Dairies				
Supreme	850	\$/Ton \$270-\$285	\$275-\$280	\$290-295
Premium	1,050	\$/Ton \$250-\$260	\$250-\$265	\$255-\$278
Good	650	\$/Ton \$240-\$250	\$240-\$250	No Sales
Fair	925	\$/Ton \$210-\$225	No Sales	\$210-\$225
Idaho – Alfalfa Hay Big Bales, FOB Stack				
Supreme	350	\$/Ton \$200-\$220	\$195-\$210	No Sales
Premium		\$/Ton No Sales	No Sales	\$165-\$170
Good	2,500	\$/Ton \$157-\$165	No Sales	\$130-\$150
Fair	4,000	\$/Ton \$140-\$150	\$150	\$115-\$120
WA/OR (C. Basin) Alfalfa, FOB				
Premium big bale (Dairy)	1,600	\$/Ton \$195-\$200	No Sales	No Sales
Premium big bale (Export)	10,000	\$/Ton \$200-\$220	\$190-\$217	\$190-\$200
Good big bale (Export)	9,970	\$/Ton \$180-\$185	\$180-\$185	\$175-\$185
Fair (Feedlot/Dairy)	2,850	\$/Ton \$165-\$175	\$165-\$170	\$155

*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

1,175 tons overgrown big bales \$180 to \$185, 200 tons small bales \$170, 400 tons Fair alfalfa rained on in stack or first and second cutting baled together \$150 to \$157; 800 tons Low quality alfalfa rained on in the windrow \$110. **New Crop Contact:** 3,450 tons double cut rice straw \$105 delivered to Tulare in September from Sacramento Valley.

In Los Banos-Dos Palos and Merced, **Dairy:** 550 tons Supreme alfalfa hay \$250 to \$257 fob stack, 150 tons tested better than it looked \$248; 745 tons Premium alfalfa hay \$240 to \$245, 570 tons with grass or weeds \$230 to \$235; 500 tons Good big bale alfalfa hay \$230, 200 tons small bales \$225; 650 tons Fair alfalfa hay \$200 to \$210, 400 tons overgrown and coarse stem \$185 fob stack. 1,200 tons Premium big bale beardless wheat hay \$140 fob stack; 1,200 tons Low to Fair quality big bale beardless wheat hay rained on in windrow \$85 fob stack. 500 tons Premium big bale oat hay \$135 fob stack; 700 tons Premium big bale alfalfa/oat hay mix \$128, rain damaged tops off at \$70 to a feedlot; 450 tons Low to Fair quality big bale oat hay rained on in windrow \$85.

In the Imperial Valley, limited sales on dairy alfalfa hay with no test on trend. Export alfalfa hay prices steady as test results continue to drop. In a limited test sudan hay prices steady where there was a comparison. No comparison on bermuda hay for export. Kleingrass for export steady. Retail alfalfa hay prices mostly steady, retail bermuda hay steady to \$5 lower. First reported trade on new crop bermuda straw going to Central CA dairies. Trading on sudan hay continues to be slow with a lot of uncertainty on overseas demand. More buyers pursued consignment deals on sudan hay, but many growers turned them down. Japanese customers will be visiting exporters over the next couple of weeks and hopefully a Sudan hay market will be established. Daytime temperatures were at or above 110 degrees for most of the week. **Dairy:** 300 tons Good alfalfa hay \$190. 300 tons big bale wheat straw \$105, going to Southern California dairies. 200 tons new crop bermuda straw big bales \$80 fob stack, going to Central California dairies. **Export:** 2,150 tons Premium big bale alfalfa hay \$205 to \$215; 4,630 tons Good mostly big bale alfalfa hay \$185 to \$195 fob stack. 300 tons Good bermuda hay big bales \$140; 300 tons Fair bermuda hay \$120 fob stack. 2,735 tons Premium kleingrass big bales \$175 to \$183 fob stack. 1,235 tons Good sudan hay \$145 to \$162; 1,310 tons Fair sudan hay \$125 to \$135 fob stack. **Retail:** 135 tons Premium Retail alfalfa hay \$225 to \$230; 225 tons Good retail alfalfa hay \$215 to \$220; 200 tons Premium stable alfalfa hay \$210; 100 tons Good stable alfalfa hay \$205 fob stack. 180 tons Premium retail bermuda hay \$210 to \$215; 125 tons Good Stable bermuda hay \$180 to \$190 fob stack.

In Blythe, export and dairy alfalfa hay prices steady to \$5 lower. Retail alfalfa hay prices steady to \$5 lower. **Dairy:** 850 tons Premium alfalfa hay \$210; 1,250 tons Good alfalfa hay \$195 fob stack. 1,000 tons big bale wheat straw \$75 fob stack, going to Central CA dairies. **Export:** 2,300 tons Good big bale alfalfa hay \$180 to \$190. **Retail:** 650 tons Premium retail alfalfa hay \$220; 875 tons Good retail alfalfa hay \$200 to \$210.

In Tracy-Patterson, Modesto, Stockton, and Lodi, higher quality dairy alfalfa hay prices steady with Fair quality steady to weak. Retail alfalfa hay prices steady. **Dairy:** 150 tons Supreme alfalfa hay in Tracy \$240 fob stack; 50 tons Premium alfalfa hay \$220; 325 tons low potassium Good alfalfa hay \$200 to \$205; 450 tons Fair alfalfa hay \$170, couple loads \$160, couple loads heavy weeds and grass \$95; 150 tons Low quality alfalfa hay rained on in windrow \$50 fob stack. . 1,000 tons Low to Fair quality big bale beardless wheat hay rained on in windrow \$75. **Retail/Stable:** 75 tons Premium retail alfalfa hay \$240; 225 tons Good retail alfalfa hay \$220; 80 tons Fair retail alfalfa hay \$210. 60 tons Premium retail beardless wheat hay \$180 fob stack. 100 tons Premium retail oat hay \$180. 50 tons Premium stable orchardgrass \$230.

In the Sacramento Valley and Delta, dairy alfalfa hay prices steady. Retail alfalfa and grass hay prices steady. Most alfalfa hay in current cutting is Fair quality. **Dairy:** 250 tons Premium alfalfa hay \$220; 400 tons Good alfalfa hay \$205 to \$210; 700 tons Fair alfalfa hay \$170, 780 tons coarse stem \$130 to \$150. 2,500 tons Low to Fair quality big bale oat hay rained on in windrow \$80 fob stack. **Retail: Old Crop:** 100 tons Premium retail alfalfa hay \$240 fob barn. 125 tons rice straw small bales \$3.50/bale fob barn. **Retail: New Crop:** 350 tons Premium retail alfalfa hay \$240 fob stack; 150 tons Good retail alfalfa hay \$220. Load Premium orchardgrass/fescue hay \$240; Couple loads Fair orchardgrass/fescue \$180.

In the Northern Mountains, a little new crop alfalfa and orchardgrass retail hay traded for current move in good demand. Many growers are in the middle of baling first cutting alfalfa and taking samples to labs. **Retail: New Crop:** In the Northern CA mountains, 350 tons Premium retail alfalfa hay \$220 to \$230; 100 tons Good retail alfalfa hay \$170 fob stack. 250 tons Premium retail orchardgrass hay \$275 fob stack; load of Good retail orchardgrass \$260. **Retail: Old Crop:** In the Northern CA Mountains, 125 tons Premium orchardgrass hay \$305 fob barn. 250 tons Premium orchardgrass/alfalfa hay \$280. 150 tons old crop Premium retail timothy hay \$340 fob barn.

In Arizona, export and dairy alfalfa hay prices steady with a week ago. Retail alfalfa hay prices steady to weak as high temperatures have reduced quality and demand has softened. **Dairy:** In Central AZ, 300 tons Good alfalfa hay \$195. In Parker/Poston, 560 tons Good alfalfa hay \$185; 850 tons Fair alfalfa hay \$175 fob stack. **Export:** In Southwest AZ, 600

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tons Good export alfalfa hay \$190. 600 tons mixed Fair to Premium small bale sudan hay \$130 fob stack, straight through. In Central AZ, 1,200 tons Premium big bale alfalfa hay \$210; 1,350 tons Good big bale alfalfa hay \$195 to \$200 fob stack. In Western AZ, 500 tons Fair big bale export alfalfa hay \$170 fob stack. **Retail:** In Parker/Poston, 200 tons Premium retail alfalfa hay \$225 to \$230; 150 tons Good retail alfalfa hay \$200. In Central AZ, 350 tons Premium retail alfalfa hay \$235 to \$240 fob barn, 500 tons \$200 to \$210 fob outside stack; 1,500 tons Good (#2) alfalfa hay \$185 fob outside stack.

In Nevada, few new crop dairy alfalfa hay sales reported with not enough sales last week to compare trend. No comparison on two new crop dairy and export contracts. Growers in Western and Northern Nevada are baling alfalfa and grain hays and there should be more trading next week. Scattered thunderstorms went through Western and Northern Nevada with some light to moderate rain damage reported. **Dairy:** In Western NV, 250 tons new crop Premium alfalfa hay \$195, 100 tons old crop \$180; 350 tons new crop Good low potassium alfalfa hay \$165 fob stack, 100 tons old crop \$160. **New Crop Contracts: Dairy:** In Northern NV, 4,000 tons first cutting Good to Premium alfalfa hay \$185, must be 53 TDN or better, 25% down with monthly payments and extended movement over summer. **Export:** Northern NV, 12,000 tons Good to Premium export alfalfa hay \$180, 60% must be 170 RFV or better while balance must have minimum 18% protein, buyer to fully wrap stack, monthly payments until 75% down, balance paid as hay moves, extended movement. **Retail:** In Western NV, 170 tons old crop Premium retail alfalfa hay \$204 fob stack.

In Idaho, limited sales of new crop Supreme alfalfa hay in Southern Idaho \$5 higher than a week ago, other new crop alfalfa hay prices steady on mainly Fair alfalfa hay in Southern and Southwest Idaho. Trading slow to moderate. A lot of alfalfa hay was cut in Eastern Idaho this week and there should be trading in the next couple of weeks. Unsettled weather continues to be a headache for growers with thundershowers in some areas with strong winds at mid-week in Southern Idaho scattering some hay. hay. Timothy hay cutting is underway in Southern Idaho with some in the bale in Southwest area. All sales on big bales with dairy hay going to the Magic Valley unless specified otherwise. **Dairy:** In Southern and Southwest ID, 350 tons Supreme alfalfa hay \$205 fob stack, current move; 2,500 tons mainly Good alfalfa hay \$157 to \$165, most for quick move. **Dairy/Feedlot:** In Southern and Southwest ID, 1,000 tons Fair to low Good alfalfa \$155 fob stack, to a feedlot; 3,350 tons Fair alfalfa hay \$140 to \$150, mostly \$150, some caught light rain, to dairies & feedlot; 2,500 tons very overgrown or that was rained on more than once \$125 to \$135, most with shorter hauls, fast move & pay. In Eastern Idaho, 1,750 tons new crop Good alfalfa hay and includes 200 acres haylage based on 100% dry matter equivalent, \$155 fob straight through, to local dairy. In Western Idaho, 750 tons Fair alfalfa hay and includes four loads mixed grass & alfalfa, all showered on, \$145 to \$150 fob stack. **Export:** In Southern ID, 1,200 tons Fair alfalfa hay big bales \$150 fob stack, fast move from stack in field.

In the Washington-Oregon Columbia Basin, dairy alfalfa hay prices steady in a limited comparison with last week with tight supplies of Premium/Supreme alfalfa hay. Fair alfalfa hay prices steady going to feedlots and dairies. Export alfalfa hay prices steady. New crop timothy hay prices steady. Moderate to good demand for export alfalfa hay but light to moderate demand for timothy, although demand for Premium dairy timothy picking up. Reports of excellent quality timothy hay going up this week. Timothy sales volume significantly below a year ago due to a combination of some buyers cautious early and some growers in the Southern Basin cutting a little later than last year. Contacts report that some export buyers want firm commitments from overseas buyers before buying timothy hay. Growers report good hay-making weather this week. All sales on new crop big bales unless specified otherwise, prices fob wrapped stack unless specified otherwise. **Confirmed Sales:** 38,548 tons alfalfa hay; year ago, 42,723 tons. Timothy hay 8,874 tons; same week last year 50,428 tons. **Dairy:** 1,600 tons top tarped and wrapped Premium alfalfa hay \$195 to \$200 fob stack, 250 tons Premium/Supreme in Northeast OR \$200, 350 tons low Premium alfalfa in Basin \$190; 550 tons top tarped Good alfalfa hay \$170 to \$180. **Dairy/Feedlot:** 2,850 tons Fair alfalfa hay, some rained on, top tarped & un-tarped, \$165 to \$175 fob, some for quick move and short haul. **Export Alfalfa Hay:** 10,000 tons mostly Premium alfalfa hay big bales \$200 to \$220, mainly \$210 to \$220 fob wrapped stacks, 2,088 tons \$232 to \$242 delivered, 580 tons three-tie Premium \$225 to \$240 fob; 4,300 tons Good to Premium alfalfa hay big bales \$190 to \$200, 2,300 tons fast move and no tarp \$185; 9,970 tons Good export alfalfa hay \$180 to \$185 wrapped, some at \$180 fast move and no tarp, 540 tons \$197 delivered, 500 tons three-tie \$220 fob; 3,100 tons Fair alfalfa hay big bales, most had a little rain on it, \$165 to \$175. **Export Timothy Hay: (First Cutting)** 1,000 tons Premium horse three-tie timothy hay \$300 fob wrapped stack, 250 tons high Premium horse 3x4 bales \$265, fast move and no tarp, 800 tons to go up in three-tie \$230 standing; 600 tons Premium dairy timothy hay 3x4 bales \$250 wrapped, 1,855 tons \$230 to \$250, mostly \$235 to \$240 fast move & no tarp, 400 tons high Premium \$280, 1,849 tons Premium dairy \$238 to \$248 delivered; 2,000 tons low Premium dairy timothy \$220 fob wrapped stack; 120 tons #1 dairy timothy \$175, fast move-no tarp. **Retail:** 500 tons wrapped Premium two-tie alfalfa hay \$230; 110 tons Good alfalfa \$210.

In Utah, still very quiet on new crop alfalfa hay trading. New crop alfalfa hay started going in the stack the past week. A few buyers have taken samples and a few dairy and export hay buyers from California will be in Utah in the next few days. A grower in Southern Utah said it was nice hay-making weather this week and his first crop alfalfa hay appearance was

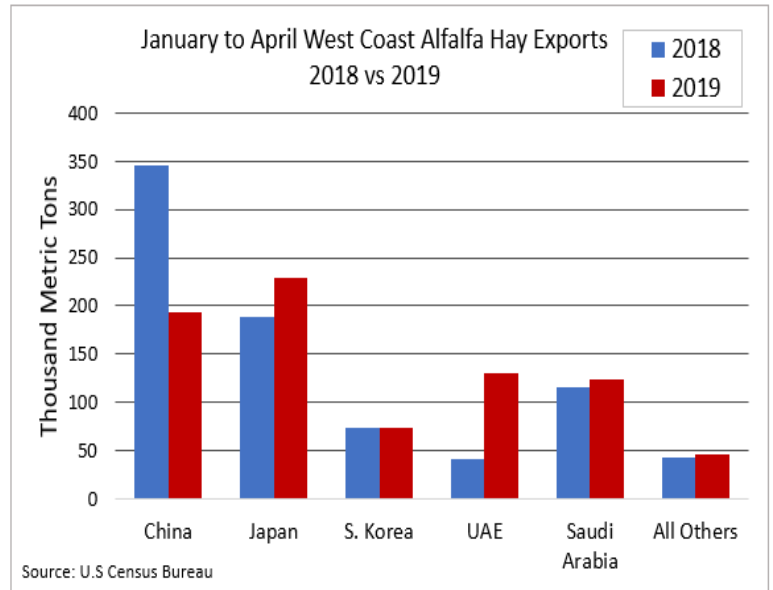
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excellent. **Dairy:** In Central UT, 200 tons Good alfalfa hay with a little mustard weed \$160 fob stack, going to California.

Alfalfa Hay Exports from the West Coast Down 1% Through the First Four Months of 2019 – Alfalfa hay exports

from the West Coast to all countries through April of 2019 totaled 797,566 metric tons (MT), compared to 807,256 in 2018, according of the U.S. Census Bureau. Alfalfa hay exports to China through April totaled 193,708 MT, down 44% from 346,332 MT last year. During the same period alfalfa hay exports to Japan were up 22% and totaled 229,700 MT. Alfalfa hay exports to Saudi Arabia equaled 123,576 MT for a 7% increase for the first four months of 2019. South Korea stayed flat with alfalfa hay export from the U.S totaling 73,297 MT through April of 2019. The UAE saw the largest volume and percent increase over 2018 at 130,992 for a 218% increase. Alfalfa hay exports to all other countries were up 9% to 46,296 MT. Exports of U.S. alfalfa hay to China from Seattle-Tacoma ports totaled 56,848 MT in the first four months of 2019, down 88,025 MT or 61% lower from the same period a year ago. Over that same time alfalfa hay exports to China from Long Beach were down 38% or 61,998 MT lower. In total alfalfa hay exports from Seattle-Tacoma to all countries through April were 322,921 MT, 5.7% lower than 2018. Alfalfa hay exports from California ports totaled 474,645 during the first four months of 2019, a 2% increase over 2018.



Imperial Valley Hay and Seed Acres - According to the June 12, 2019 report from the Imperial Irrigation District there were 121,256 alfalfa hay acres in the Imperial Valley, up 5% from the 115,537 acres the same time last year. Alfalfa seed acres at 16,483 were down 19% from the 20,370 acres a year ago. Bermuda hay acres were 54,034, up 16% from the 46,701 acres in mid-June of last year. Bermuda seed acres at 12,261 were up 38% from the 8,868 acres last year. Sudan hay acres at 45,800 were down 6% from the 48,576 acres a year ago. Kleingrass hay acres were 20,471, up 20% from the 17,071 acres last year.

Condolences – We were saddened to hear of the death of Ed Snyder in Yerington, Nevada and extend our sincere sympathy to his family. Ed was 93 years old and was highly regarded by the Livestock and hay industries.

Oil Prices- New York July crude oil futures settled down \$1.48 from a week ago. The price dipped even lower during the middle of the week but was spurred higher by political unrest in the Middle East. Two oil tankers in the Strait of Hormuz were damaged by explosions on Thursday sparking a 2.6% oil price rally into Friday. The U.S. blamed Iran for the attacks which they have denied. One third of all oil shipped globally passes through the Strait of Hormuz. With increases in domestic oil production the U.S. has become less reliant on OPEC. According to The Wall Street Journal, U.S. imports of OPEC oil in March were 1.5 million barrels a day, the lowest since 1986, and four times lower than a decade ago.

Dairy Cattle Prices – At the Overland Stock Yard this week in Hanford, CA Holstein Springer heifers sold steady from \$1,200 to \$1,600 each. Slaughter cows sold \$2 to \$5 lower at the Overland Stock Yard and Turlock Livestock Auction with Breaking and better Boning Utility dairy cows trading from \$58 to \$65.

Dairy Product Prices – July Class III milk futures finished the week up 21 cents to close at \$16.85 cwt. Block cheese prices on the CME closed the week at \$1.7825, 3 cents higher than a week ago. On Thursday block prices reached \$1.8000, the highest price since February 2017. Barrel cheese prices on the CME closed at \$1.6050 a pound, up 7 cents from last week. The spread between blocks and barrels narrowed slightly to 17.75 cents. Dry whey was down a quarter cent to \$3.625 on Friday. Butter prices were down 3.25 cents from last week to close at \$2.3650. Nonfat dry milk prices on the CME were down slightly to \$1.0525 per pound.

Best Regards, Seth and 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