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This week's Market Overview
 Moderate demand for alfalfa hay in Central California with prices steady. Grain hay prices steady. **(Sales in narrative of report fob stack for current move unless specified otherwise, dollars per short ton)**

Alfalfa hay trading was slow this week as most alfalfa hay being offered was rain damaged and many growers worked to get the current cutting in the stack. Because of the rain delay, many quality test results were in the Fair to low Good range. Humid conditions in some areas made retail alfalfa hay production difficult. Chopping of wheat for silage wrapped up this week.

In Kern County, **Dairy:** 250 tons Premium alfalfa hay \$245 fob stack; 500 tons Good alfalfa hay \$210 to \$215; 180 tons Fair alfalfa hay \$195. 150 tons Premium big bale oat hay \$150. **Retail:** 75 tons Good retail alfalfa hay \$245 fob stack.

In East Central CA, **Dairy:** 1,000 tons Fair/Good alfalfa hay \$180 fob stack.

In Tulare, Kings, and Fresno Counties, **Dairy:** 200 tons Supreme alfalfa hay with longer haul \$235 fob stack, 75 tons with around 25% weeds \$220; 275 tons Premium alfalfa hay \$235 fob stack; 175 tons rain damaged Fair alfalfa hay \$150; 150 tons Low quality alfalfa hay, rained on in

| Market Indicators... | Unit | Most Recent | Week Ago | Year Ago |
|--|-----------|--------------------|---------------|---------------|
| CA FMMO Uniform (blended) Milk Price-Tulare | Cwt. * | April \$15.54 | Mar \$15.15 | 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. | \$16.64 | \$16.20 | \$16.79 |
| 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. | \$1.7525 | \$1.7150 | \$1.6350 |
| Barrel Cheese | \$/Lbs. | \$1.5350 | \$1.5400 | \$1.5650 |
| All Hay Exports From West Coast Ports (U.S. Census Bureau) Jan - Apr 2019 | | | | |
| California Ports | Metric | 664,559 | | 635,331 |
| Washington Ports | Tons | 590,521 | | 616,912 |
| Rolled Corn Dlvd to Magic Valley ID Dairies | \$/Ton | \$210 | \$213 | N/A |
| Rolled Corn Dlvd to Central CA Dairies | \$/Ton | \$219 | \$218 | \$191 |
| No. 2 Yellow Corn – FOB Iowa (USDA) | \$/Ton | \$137-\$149 | \$143-\$150 | \$119-\$129 |
| Ethanol Price – FOB Iowa (USDA) | \$/Gal | \$1.32-\$1.50 | \$1.36-\$1.53 | \$1.31-\$1.51 |
| Crude Oil – New York Futures (July 2019) | \$/Barrel | \$53.99 | \$53.50 | \$65.75 |
| Alfalfa Hay Prices – (The Hoyt Report) | | | | |
| California – Dlvd to Tulare/Hanford Dairies | | | | |
| | Tons | | | |
| Supreme | 650 | \$/Ton \$275-\$285 | \$275-\$285 | \$290-\$295 |
| Premium | 1,025 | \$/Ton \$255-\$270 | No Sales | \$267-\$290 |
| Good | 650 | \$/Ton \$240-\$245 | \$240-\$250 | \$255-\$265 |
| Fair | 1,200 | \$/Ton \$220-\$225 | \$220-\$230 | \$225-\$230 |
| Dlvd Escalon, Modesto, Turlock Dairies | | | | |
| Supreme | 850 | \$/Ton \$275-\$280 | No Sales | \$285-\$300 |
| Premium | 375 | \$/Ton \$250-\$265 | \$255-\$265 | \$265-\$285 |
| Good | 350 | \$/Ton \$240-\$250 | \$240-\$250 | \$250-\$260 |
| Fair | | \$/Ton No Sales | \$220-\$225 | \$215-\$230 |
| Idaho – Alfalfa Hay Big Bales, FOB Stack | | | | |
| Supreme New Crop-Western ID | 730 | \$/Ton \$195-\$210 | \$200-\$220 | No Sales |
| Premium | | \$/Ton No Sales | \$160 | \$155 |
| Good Old Crop Export | 800 | \$/Ton \$170 | \$160 | \$147-\$155 |
| Fair | 50 | \$/Ton \$150 | \$150 | \$100 |
| WA/OR (C. Basin) Alfalfa, FOB | | | | |
| Supreme big bale (Dairy) NC | 530 | \$/Ton \$220-\$225 | \$220 | No Sales |
| Premium big bale (Export) NC | 3,830 | \$/Ton \$190-\$217 | No Sales | \$190-\$200 |
| Good big bale (Export) NC | 10,250 | \$/Ton \$180-\$185 | No Sales | \$180-\$185 |
| Fair (Feedlot/Dairy) NC | 2,250 | \$/Ton \$165-\$170 | No Sales | \$140 |

*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

windrow and stack \$100. 250 tons Premium big bale beardless wheat hay \$145 fob barn. 4,500 tons wheat for silage \$40 standing, based on 68% moisture.

In Los-Banos-Dos Palo and Merced, **Dairy:** 300 tons high test Supreme alfalfa hay \$260 fob stack, going to Turlock, 200 tons fast move and pay \$250, 75 tons rained on in stack \$200; 400 tons Premium alfalfa hay \$240 to \$245; 250 tons Good alfalfa hay \$230, 75 tons light rained on in stack \$200; 800 tons Fair alfalfa hay \$205 fob stack; 425 tons Low quality alfalfa hay with heavy rain damage in the windrow or in stack \$100 to \$115. 2,500 tons Premium big bale beardless wheat hay \$140, 700 tons tarped \$150, 250 tons \$130, rain damaged tops off at \$70; 100 tons Good beardless wheat hay with light rain in windrow \$120, 1,500 tons with some foxtail \$110. 1,000 tons Premium big bale oat hay \$125 fob stack, tops off at \$70. **Retail:** Couple loads Premium retail alfalfa hay \$240 fob stack.

In the Imperial Valley, in a light test dairy alfalfa hay prices steady. Export alfalfa hay prices steady in moderate demand with most alfalfa hay being offered in the Good quality range. Bermuda hay for export steady and kleingrass hay for export steady to \$5 lower. Limited trading on Sudan hay for export as buyers work to establish a market overseas. In a limited comparison to last year, Good and Premium sudan hay steady. Retail alfalfa and bermuda hay prices steady. Light demand for Sudan hay as overseas buyers are waiting to see where prices will be on PNW timothy hay. Most growers have started second cutting kleingrass. Kleingrass supplies are ample due to increased acres over the past year. **Dairy:** 650 tons Premium alfalfa hay \$210 fob stack; 400 tons Good alfalfa hay \$195. **Export:** 1,825 tons Premium big bale alfalfa hay \$210 to \$220; 1,300 tons Good/Premium big bale alfalfa hay \$205 fob stack; 5,055 tons Good big bale alfalfa hay \$190 to \$200. 1,520 tons Premium big and small bale bermuda hay \$160 to \$175. 5,750 tons Premium big and small bale kleingrass hay \$170 to \$183 fob stack. 700 tons Premium small bale sudan hay \$203 to \$205; 450 tons Good sudan hay \$160 fob stack. **Retail/Stable:** 1,170 tons Premium retail alfalfa hay \$225 to \$240 fob stack, includes 750 tons at \$230; 250 tons Good retail alfalfa hay \$215 to \$220; 100 tons Premium stable alfalfa hay \$210 to \$215. 260 tons Premium retail bermuda hay \$215 to \$220; 100 tons Good retail bermuda hay \$205; 380 tons Good stable bermuda hay \$180 to \$190 fob stack.

In Blythe, dairy alfalfa hay prices steady, no comparison on export alfalfa hay. Retail alfalfa hay steady. New crop wheat straw steady with last week. Growers indicate that they will start making retail alfalfa hay for barns in the coming weeks as temperatures are turning hot. **Dairy:** 2,050 tons Premium/Supreme alfalfa hay \$215 to \$220 fob stack; 650 tons Premium alfalfa hay \$205 to \$210; 575 tons Good alfalfa hay \$190 to \$200, 200 tons low Good \$185. 1,500 tons big bale wheat straw \$80, 500 tons small bales \$100 fob stack. **Export:** 500 tons Good/Premium alfalfa hay \$205 to \$210 fob stack. **Retail/Stable:** 650 tons Premium retail alfalfa hay \$225 to \$230; Load high Premium stable alfalfa hay \$235. 100 tons Premium retail bermuda hay \$225 fob stack.

In Tracy-Patterson, Modesto, Stockton, and Lodi, dairy alfalfa hay prices steady where there was a comparison. Retail alfalfa hay prices steady with retail beardless wheat and oat hay \$10 higher. Recent rain damage had made supplies of premium beardless wheat and oat hay tight. Contacts reporting 51 to 53 TDN test results on the latest cutting. **Dairy:** 100 tons Supreme alfalfa hay in Tracy \$240 fob stack, 50 tons old crop in barn \$250; 50 tons Premium old crop alfalfa hay \$230 fob barn. 300 tons Premium new crop rained on in stack \$180; 250 tons Good alfalfa hay \$195 fob stack, 400 tons rained on in stack \$160; 100 tons Fair alfalfa hay \$180 to \$190; 250 tons Low quality alfalfa hay rained on in stack and windrow \$70 to \$95, 200 tons rain damaged and high moisture \$50. 800 tons Premium big bale beardless wheat hay in a barn in Tracy \$150; 1,125 tons Fair big bale beardless wheat hay rained on in stack \$110 to \$115 fob stack, 400 tons heavier rain damage going to beef cattle \$80 to \$90. 250 tons Premium big bale oat hay \$150; 700 tons Fair small bale oat hay rained on in stack \$110, 100 tons rain damaged top bales \$75. **Retail:** 100 tons Premium retail alfalfa hay \$240; 100 tons Good retail alfalfa hay \$220. 125 tons Premium beardless wheat hay \$180 fob stack. 75 tons Premium oat hay \$180. 625 tons Premium orchardgrass/alfalfa hay \$220.

In the Sacramento Valley and Delta, alfalfa hay prices steady. Second cutting alfalfa hay was going in the stack this week. **Dairy:** 175 tons Premium alfalfa hay \$220 fob stack; 500 tons Good alfalfa hay rained on in stack \$180; 600 tons Fair alfalfa hay rained on in stack \$150; 275 tons Low quality alfalfa hay rained on in stack and windrow \$110 to \$120. 1,650 tons Fair big bale beardless wheat hay rained on in windrow \$70, 150 tons \$80. 385 tons Fair small bale oat hay rained on in stack \$75 fob stack. **Retail: Old Crop:** 200 tons Premium retail alfalfa hay \$240 fob barn. Couple loads rice straw small bales \$3.50/bale fob barn. **Retail: New Crop:** 250 tons Good retail alfalfa hay \$220 fob stack. 125 tons Premium retail orchardgrass/fescue hay \$240. 50 tons Premium retail oat hay \$170. 250 tons Premium retail beardless wheat hay \$150.

In the Northern Mountains, compared to a week ago, old crop dairy alfalfa hay prices steady. Good interest for new crop retail alfalfa and grass hays. Many growers started cutting on Tuesday with a few opting to wait for the unsettled weather

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to pass this weekend. Some areas saw freezing temperatures, but minimal damage to hay stands was reported. New crop hay should be up and trading could happen by end of next week. **Dairy: Old Crop:** In the Northern CA Mountains, 800 tons Premium/Supreme alfalfa hay \$200 fob barn. **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, dairy and export alfalfa hay prices steady this week with most alfalfa hay being offered is Good quality. In a light test retail alfalfa hay prices steady. In Central Arizona some growers have begun storing retail alfalfa hay into barns. Contacts report cool temperatures in May and less bug pressure this year has improved alfalfa hay yields over last year. **Dairy:** In Southwest AZ, 2,800 tons Good alfalfa hay \$200 fob stack. In Parker/Poston, 1,350 tons Premium/Supreme alfalfa hay \$212 to \$222 fob stack; 1,800 Premium alfalfa hay \$200 to \$210; 610 tons Good alfalfa hay \$185 to \$195, 440 tons small bales for storage \$190; 795 tons Fair alfalfa hay \$174 fob stack. **Export:** In Central AZ, 3,300 tons Good big bale alfalfa hay \$190 to \$200 fob stack. **Retail:** In Parker/Poston, 125 tons Premium retail alfalfa hay \$230 fob stack; 75 tons Good retail alfalfa hay \$200. In Central AZ, 500 tons Premium retail alfalfa hay \$225 to \$230 fob outside stack; 250 tons Good (#2) retail alfalfa hay \$215.

In Nevada, prices on new crop dairy alfalfa hay steady in a light test. New crop export alfalfa hay contract reported with the price steady compared to two weeks ago. Many growers from Western to Northern Nevada started cutting on Monday. With rain delays some alfalfa hay was overgrown and quality tests could be lower than normal for first cutting. A cold front was moving in this weekend which will slow drying of alfalfa hay and growers expect to be bailing by Monday to Wednesday of next week. Some higher elevation areas are planning to cut alfalfa hay and orchardgrass in 10 days. **Dairy:** In Western NV, 100 tons tarped Premium new crop alfalfa hay \$200 fob stack. **Export: New Crop Contract:** In Western NV, 1,100 tons Good (clean and green) export alfalfa hay \$165 fob stack, seller to stack on concrete pad, buyer to fully wrap stack, hay must be exportable, monthly payments until 90% down, balance paid as hay moves, extended movement.

In Idaho, in a limited comparison with last week, alfalfa hay prices steady in slow trading. No comparison on rain damaged alfalfa hay. No comparison on alfalfa hay contract in Southern Idaho and a wheat straw contract in Eastern Idaho was steady with a contract a month ago that we missed. Swathers were rolling this week in Southern Idaho with a large amount of alfalfa hay on the ground. So much for the 10-day forecast for clear weather with a grower in Southwest Idaho getting .4 tenths of an inch of rain Monday night on 1,000 tons of alfalfa hay in the windrow. Thunderstorms forecast for Friday and Saturday. Higher quality alfalfa hay supplies are tight and feeder alfalfa hay supplies are growing. California dairy hay buyers showing interest in Western Idaho for higher quality alfalfa hay. Sales on new crop alfalfa hay big bales unless specified otherwise. **Total Confirmed Sales:** 25,335 tons with much of it in two new crop contracts. **Dairy:** In Western ID, 430 tons Supreme alfalfa hay \$195 to \$200 fob barns, the \$195 hay going to CA, 300 tons high test \$210 fob going to WA, 430 tons un-tarped \$180 to \$190; 550 tons mixed lot with 400 tons Low to Fair quality rain damaged alfalfa hay and 150 tons Premium alfalfa with 25-35% moisture, \$120 fob straight through, fast move to local dairy heifer lot. In Southwest and Southern ID, 1,300 tons Low to Fair quality rain damaged alfalfa hay with part of it high moisture \$120 fob, fast move. **New Crop Contracts:** In Southern ID, 12,000 tons Fair to Good alfalfa hay for the season \$155 fob stack, rain or shine, 5 monthly payments starting in June, to Magic Valley dairy. In Eastern Idaho, 8,000 tons big bale wheat straw \$42 fob stack, to be baled in August-September, going to Magic Valley, some money up front. **Cow-Calf/Feedlot:** In Southwest ID, couple loads Fair alfalfa hay \$150 fob stack, 1,000 tons showered on \$165 delivered to local feedlot; 400 tons Low to Fair quality rain damaged alfalfa hay with higher moisture \$125, fast move. Eastern ID, 75 tons old crop Fair alfalfa hay \$150. **Export:** In Eastern ID, 800 tons old crop Good (clean & green) alfalfa hay \$170 fob wrapped stack, fast move & pay.

In the Washington-Oregon Columbia Basin, few sales on dairy alfalfa hay steady, except no comparison with last week on Fair alfalfa hay that was rained on or weedy, undertone weak. First volume sales of new crop export alfalfa hay with prices steady to \$5 higher than last year but Premium prices this week very uneven. First sales on new crop timothy hay with few sales of Premium horse steady with early sales last year and not a good comparison on a few other sales. A lot of alfalfa and timothy hay was cut this week with spotty rains catching some hay on the ground, but many growers saw no damage because of very light rain and winds that dried things out. For what it's worth, clear weather forecast for next 10 days. Some Japanese customers will be in the Basin the next 2 to 3 weeks assessing first cutting quality on alfalfa hay and timothy and market prices. All sales on new crop big bales unless specified otherwise, prices fob wrapped stacks unless specified otherwise. **Confirmed Sales:** 20,881 tons alfalfa hay; 3,717 tons timothy hay. **Dairy:** 300 tons wrapped Premium alfalfa hay \$220 fob stack, 230 tons last week \$225, 160 tons high moisture \$200; 335 tons Good rained on alfalfa hay \$180 to \$185, fast move and no tarp to local feedlot & dairy heifer lot, 60 tons higher moisture \$160; 2,250 tons Fair alfalfa hay rained on or weedy \$165 to \$170, about half fast move & no tarp, to feedlots and dairies, 150 tons with

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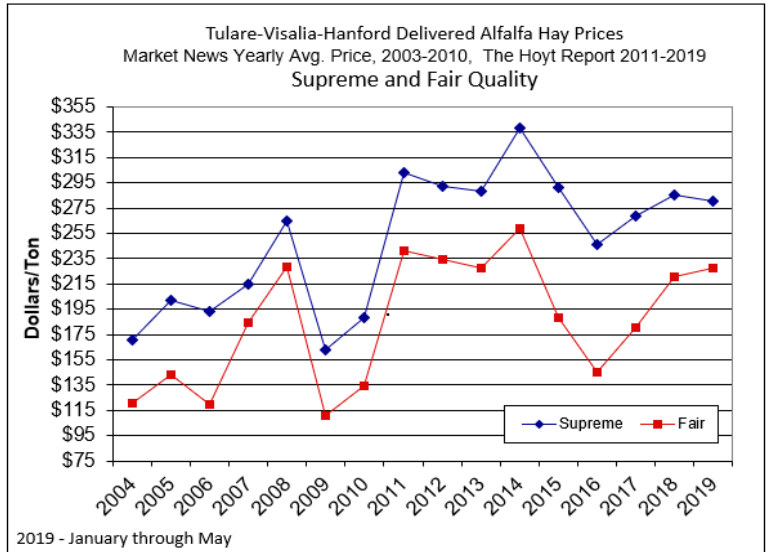
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more damage & little high in moisture \$140, fast move. **Export Alfalfa Hay:** 3,030 tons Premium alfalfa hay big bales \$190 to \$195, most with fast move and no tarp, 800 tons \$217 fob barn, 2,442 tons wrapped Premium alfalfa hay \$228 to \$248 delivered; 10,250 tons Good export alfalfa hay \$180 to \$185 fob stack, much of the \$180 hay was fast move and no tarp, few top tarped, 284 tons \$202 delivered; 1,725 tons Fair alfalfa hay \$170 to \$175 fob, most fast move and no tarp. **Export Timothy Hay: (First Cutting)** 550 tons Premium horse three tie timothy \$300 to \$310 fob wrapped stack; 700 tons #1 horse three-tie \$260 wrapped; 950 tons Premium dairy timothy 3x4 bales \$230 to \$248, fast move and no tarp, 517 tons \$267 delivered; 1,000 tons low Premium timothy big bales \$200 fob stack, fast move & pay and no tarp.

In Utah, trading very quiet as delayed new crop alfalfa hay has finally been cut or is being cut in Southern and Central Utah. Growers say there has not been a lot of interest with a little export interest in Southern Utah and a broker took samples on early baled hay in Central Utah that may go to a dairy in California. **Dairy:** In Central UT, 250 tons old crop Supreme alfalfa hay \$200 fob barn, going to California.

Supreme Alfalfa Hay Delivered Prices into Tulare-Hanford Down Slightly in First Five Months of 2019 – In January

through May of 2019, Supreme alfalfa hay delivered to dairies in Tulare-Hanford CA averaged \$280.45 per ton, down \$11 compared to the same period last year, and down \$5 from the full-year average of \$285 in 2018. The full-year average in 2017 was \$268.94. After depressed milk prices most of 2018, prices have improved in recent months. The CA FMMNO milk price the first four months of 2019 in Tulare (minus the Quota assessment) was \$14.79 cwt., compared to a CA overbase price the first ten months of 2018 at \$13.98. The April 2019 CA FMMO milk price in Tulare was \$15.54. As a result of negative margins the past couple of years, many dairies in CA and the west have reduced pounds of alfalfa hay in milk cow rations. This reduced the overall demand for Premium to Supreme alfalfa hay from Central CA dairies at a time when supplies were down. As Central CA dairies work to dig out of a financial hole, they are trying to hold the line on what they will pay for Premium to Supreme alfalfa hay. The challenge for dairies in the coming months is that higher quality hay supplies are tight in the west and this may keep prices from falling. Many dairies in Central CA continue to buy for only short-term needs, a trend that started in 2018. Fair alfalfa hay prices delivered to Tulare-Hanford the first five months of 2019 averaged \$227, up slightly from \$225.50 the same period last year. Tighter supplies of Fair alfalfa hay were evident in the price spread between Supreme and Fair quality alfalfa delivered to Tulare-Hanford dairies the first five months of 2019 at \$53.35 per ton, compared to a \$64.20 spread in all of 2018, \$88.77 in 2017 and \$101.00 spread in the entire year of 2016.



the same period last year. Tighter supplies of Fair alfalfa hay were evident in the price spread between Supreme and Fair quality alfalfa delivered to Tulare-Hanford dairies the first five months of 2019 at \$53.35 per ton, compared to a \$64.20 spread in all of 2018, \$88.77 in 2017 and \$101.00 spread in the entire year of 2016.

U.S.- Mexico Tariff Negotiations- President Trump announced in a tweet late Friday that the U.S. and Mexico had reached an agreement to avoid tariffs on Mexican imports to the U.S. The President said Mexico had agreed to take strong measures to slow immigrants from crossing the southern U.S border and as a result the tariffs, which were set for Monday, were indefinitely suspended. Details of the deal will be announced soon by the U.S. State Department.

Alfalfa Hay Exports- U.S. Census Bureau data released this week has April alfalfa hay exports to all counties up 1% compared to the same month last year. Alfalfa hay exports to China at 61,193 Metric Tons were up slightly over last month but were down 34,384 MT compared to last April. Stronger alfalfa hay exports to Japan, Saudi Arabia, and the UAE helped offset the lower exports to China. Japan was up 6,954 MT, the UAE up 22,172, and Saudi Arabia up 9,094 MT compared to a year ago. Alfalfa hay exports to South Korea were down 2,145 MT from last April. Comparing the first four months of 2019 to the same period last year, alfalfa hay exports to all countries were down 1%.

Dairy Cattle Prices – At the A&M Livestock Auction in Hanford, CA this week they sold 3,000 heifers at a special dairy heifer sale. Demand was moderate to good with about

| 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 |

half the cattle going to out-of-State buyers. Top quality Holstein heifers from 400 to 700 pounds traded from \$1.05 to \$1.15 per pound; Average quality Holstein heifers the same weights sold from \$0.95 to \$1.00 per pound. Holstein Springer heifers traded from \$1,300 to \$1,570 each. At the Overland Stock Yard in Hanford, Holstein Springer heifers this week traded from \$1,200 to \$1,600 each. Slaughter cows at Overland Stock Yard and Turlock Livestock Auction Yard sold weak to \$3 lower with Breaking and better Boning Utility dairy cows selling from \$62 to \$70 cwt. Day old Holstein bull calves at Central CA dairies brought \$20 per head, fob dairy.

Dairy Exports - U.S. dairy exports in April were down 22% from a year ago but exports in April of last year were a record high. Lost sales to China continue to have a big impact on exports compared to a year ago. Dairy exports were on pace with recent months, according to the U.S. Dairy Export Council. Exports of nonfat dry milk and Skim Milk Powder were down 25% in April with sales to Mexico, Southeast Asia, China, and Pakistan all significantly lower. Whey exports were down 31%. Cheese has been one of the few bright spots and while exports were down 1% in April, they were up 7% in the January through April period. U.S. dairy exports were the equivalent of 14.4% of U.S. milk production in April. During the first four months of 2019 exports were equivalent to 14.1% of production, compared to an average of 14.7% from 2014 to 2018.

Dairy Product Prices - The all price index dropped 3.4% at the Global Dairy Trade auction in New Zealand this week with cheese prices doing a major reversal from two weeks ago, down 14%. Barrel cheese prices on the CME closed the week \$1.5350, a half cent lower than a week ago after being down 7 cents the first half of the week. Block cheese at \$1.7525 a pound on Friday was up 3.75 cents from last Friday. The spread between blocks and barrels is still 21.75 cents. Nonfat dry milk on the CME was unchanged from a week ago at \$1.0550 per pound. Butter prices were up 3.75 cents from last Friday to close the week at \$2.3975. Dry whey prices were up 1.25 cents at \$3.650 on Friday. USDA's Dairy products report for April was overall favorable and pushed Class III milk futures prices up 10 to 20 cents cwt on Wednesday and prices for the week were unchanged from a week ago. The Dairy & Food Market Analyst stated this week that in regions of the central and eastern U.S. where farmers tend to grow their own feed that this year's challenging spring will result in lower quality feed and less feed in storage. How much will this negatively impact U.S. milk production?

Hay Quality Designations – Seth was a member of the USDA hay task force that met in 1997 to standardize terminology and physical description of hay used in market reporting throughout the U.S. Alfalfa hay test guidelines that we use on the bottom of page 4 of this report were developed by this task force with input from universities and industry, much of this was done in the 1990's. The task force also established a Supreme quality designation that is used on alfalfa hay for dairy and export. The Premium designation is the highest quality for retail hay, grass and grain hays and other types of hay with the term "high Premium" used at times to describe hay that is better than an average Premium quality. The one difference in the guidelines we use is that we have chosen to stay with the "Low" quality designation that was changed to "Utility" by USDA after the original designations were established. We feel that very mature hay with no other fault, unless it is very rough in appearance, would still fall in the bottom of the Fair quality designation. Low quality hay would include hay such as heavy rain damaged or very weedy or hay with other major faults. The physical description of hay quality designations that we use are the same as USDA, except for Low quality. **Supreme:** Very early maturity, pre bloom, soft fine stemmed, extra leafy. Factors indicative of very high nutritive content. Hay is excellent color and free of damage. **Premium:** Early maturity, i.e., pre-bloom in legumes and pre-head in grass hays, extra leafy and fine stemmed-factors indicative of a high nutritive content. Hay is green and free of damage. **Good:** Early to average maturity, i.e., early to mid-bloom in legumes and early head in grass hays, leafy, fine to medium stemmed, free of damage other than slight discoloration. **Fair:** Late maturity, i.e., mid to late bloom in legumes, head-in grass hays, moderate or below leaf content, and generally coarse stemmed. Hay may show light damage. **Low:** This category would include very mature hay that is very rough in appearance and hay discounted due to excessive rain damage and heavy weed content. Defects are normally mentioned in the report when using this category.

Best Regards, Seth and Josh