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**This week's Market Overview**  
 Not enough new crop alfalfa hay trading this week in Central California to test the market. Few old crop Good alfalfa hay sales in Kern County steady. **(Sales in narrative of report fob stack for current move unless specified otherwise, dollars per short ton)**

Many growers from Kern to Fresno Counties started cutting Wednesday through the end of the week and are hoping for a window of good weather to get hay up dry. Delivered prices on Supreme alfalfa hay from the Imperial Valley this week were steady to \$5 higher. A few dairies in the central valley that have money to pay for hay are competing with exporters in the Imperial Valley for higher testing supreme alfalfa. Frist contract reported on straw.

In Kern County, **Dairy: Old Crop:** 550 tons Premium alfalfa hay \$252 fob barn; 800 tons Good alfalfa hay \$235 fob barn, to local dairy.

In the High Desert, **Retail: Old Crop:** 175 tons Premium retail alfalfa hay \$285 fob barn. Load high Premium 3 way grain hay \$285.

In Tulare, Kings, and Fresno Counties, **Dairy: New Crop:** 50 tons Fair weedy alfalfa hay \$140 fob stack. **New Crop Contract:** 400 tons barley straw \$65 behind the harvester. **Retail: Old Crop:** 250 tons Good retail alfalfa hay in barn \$290 delivered to

Market Indicators...	Unit	Most Recent	Week Ago	Year Ago
CA FMMO Uniform (blended) Milk Price-Tulare	Cwt. *	Feb \$14.24	Jan \$14.21	N/A
USDA Milk Mailbox Prices ** November 2018				
California (CDFA Oct 2018 & year ago)	Cwt.	N/A	Oct \$16.37	\$16.57
New Mexico	Cwt.	\$14.34	Oct \$14.79	\$16.13
Oregon/Washington	Cwt.	\$17.05	Oct \$17.53	\$18.09
Class III Milk Futures –CME (April 2019)	Cwt.	\$15.61	\$15.29	\$14.27
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	\$1.5700	\$1.5300
Barrel Cheese	\$/Lbs.	\$1.6025	\$1.5650	\$1.4400
All Hay Exports From West Coast Ports (U.S. Census Bureau) Jan – Dec 2018				
California Ports	Metric	2,066,207		2,318,958
Washington Ports	Tons	1,841,723		1,904,559
Rolled Corn Dlvd to Magic Valley ID Dairies	\$/Ton	\$197	\$200	N/A
Rolled Corn Dlvd to Central CA Dairies	\$/Ton	\$204	\$210	\$196
No. 2 Yellow Corn – FOB Iowa (USDA)	\$/Ton	\$125-\$132	\$126-\$131	\$120-\$128
Ethanol Price – FOB Iowa (USDA)	\$/Gal	\$1.26-\$1.50	\$1.30-\$1.50	\$1.29-\$1.54
Crude Oil – New York Futures (May 2019)	\$/Barrel	\$60.14	\$59.04	\$64.94
Alfalfa Hay Prices – (The Hoyt Report)				
California – Dlvd to Tulare/Hanford Dairies				
	Tons			
Supreme (750 tons hi test \$295)	2,446	\$/Ton \$268-\$295	\$270-\$285	\$285-\$292
Premium	2,625	\$/Ton \$265-\$275	\$265-\$270	\$275
Good		\$/Ton No sales	No Sales	No Sales
Fair		\$/Ton No Sales	\$225-\$230	No Sales
Dlvd Escalon, Modesto, Turlock Dairies				
Supreme	200	\$/Ton \$275	\$265-\$280	\$285-\$297
Premium	350	\$/Ton \$255	\$258-\$270	No Sales
Good	200	\$/Ton \$235	No Sales	\$245-\$268
Fair (grassy \$200 delivered)		\$/Ton No Sales	\$220	\$210-\$225
Idaho – Alfalfa Hay Big Bales, FOB Stack				
Supreme (going out of state)	30	\$/Ton \$175	\$175-\$180	No Sales
Premium		\$/Ton No Sales	No Sales	\$130-\$135
Good	375	\$/Ton \$160-\$165	\$165	\$115-\$120
Fair	350	\$/Ton \$150	\$143-\$155	\$105
WA/OR (C. Basin) Alfalfa, FOB				
Prem/Supreme big bale (Dairy)	600	\$/Ton \$220	\$220	No Sales
Premium big bale (Export)		\$/Ton No Sales	No Sales	\$170-\$185
Fair/Good big bale (Dairy)	900	\$/Ton \$195-\$205	\$195-\$200	No Sales
Fair (Feedlot/Dairy)		\$/Ton No Sales	No Sales	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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Central Coast. **Retail: New Crop Contract:** 2,400 tons wheat straw \$65 behind the harvester, buyer will supply stripper header for harvester, \$15,000 paid up front.

In Los Banos-Dos Palos and Merced, **Dairy: New Crop:** 18,000 tons wheat for silage \$35 standing, to local dairy.

In Imperial Valley, moderate to good demand for alfalfa hay to dairy and export buyers at steady to firm prices but on Supreme alfalfa big bales for export there is still only a few buyers in the market. Good interest for high test Supreme alfalfa hay from a few more dairies in the Central Valley that have money to pay for hay. No recent comparison on bermuda hay for export. Retail alfalfa hay and bermuda hay prices steady. Contacts report current production alfalfa hay is testing well and weather has been good for alfalfa hay production. Growers report bermuda grass is growing well but is a little behind with the recent cooler weather. Report of small bale alfalfa hay from Mexicali going to Central Valley dairies. **Dairy:** 1,150 tons Supreme alfalfa hay big and small bales \$220 to \$225, 375 tons high test \$230, 100 tons with some weeds \$215; 850 tons Premium/Supreme alfalfa hay \$215 to \$220, current move to Chino and Central Valley dairies; 920 tons Premium alfalfa hay big and small bales \$210 to \$215, 850 tons with weeds or bug damage \$190 to \$200. **Export:** 4,250 tons Supreme alfalfa hay big bales \$230 fob stack, 150 tons \$232; 1,350 tons Premium/Supreme alfalfa hay big and small bales \$217 to \$225. 100 tons old crop Premium bermuda hay big bales for export \$182 fob stack. **Retail/Stable: (Old Crop)** 320 tons Premium retail alfalfa hay \$265 fob barn, 50 tons tarped \$250, 150 tons new crop \$255; 50 tons tarped old crop Good alfalfa hay \$225 to \$240 fob stack; 180 tons Premium stable alfalfa hay tarped or in barns \$240, 100 tons high Premium \$250 fob stack; 200 tons tarped Good stable alfalfa hay \$210. 200 tons Premium retail bermuda hay tarped or in barns \$215 to \$220 fob stack, 175 tons low Premium \$210. 50 tons Good retail bermuda hay \$195. 200 tons Good stable bermuda hay \$180 to \$185 fob stack.

In Blythe, alfalfa hay prices steady on dairy and retail hay. Weather has been good for alfalfa hay production and quality hay is going up. **Dairy:** 1,350 tons Premium/Supreme alfalfa hay big and small bales \$215; 210 tons Premium alfalfa hay big bales \$210, 450 tons with weeds, frost, or rain damage \$200; 150 tons Fair alfalfa hay big bales \$170 to \$180, 75 tons grassy \$155. **Export:** 400 tons Premium alfalfa hay big bales \$205 to \$210 fob stack. **Retail/Stable: (Old Crop)** 275 tons Premium retail alfalfa hay \$265 fob barn, 125 tons new crop \$255. 75 tons Premium retail bermuda hay \$250 fob barn, going to Texas; 250 tons tarped Good retail Bermuda hay \$210, buyer to take bottoms. 50 tons tarped Premium retail teff grass \$220, two loads Good \$200.

In Tracy-Patterson, Modesto, Stockton, and Lodi, Limited sales on old crop dairy alfalfa hay, few old crop retail hay prices steady. **Dairy:** 100 tons Supreme alfalfa hay with a little grass \$255 fob barn, short haul to dairy. **Retail:** 50 tons Premium alfalfa hay \$260; 75 tons Good retail alfalfa hay \$240 fob barn. 125 tons Premium beardless wheat hay small bales \$185. 25 tons Premium 3 way grain hay \$185. 50 tons Premium retail orchardgrass/alfalfa hay \$340 fob barn.

In the Sacramento Valley, not enough dairy alfalfa hay to test the market., retail alfalfa hay prices steady. All hay in barns. **Dairy:** 25 tons Supreme alfalfa hay \$230. **Beef Cattle/Feed Stores:** 500 tons Good to Premium oat hay small bales \$160. **Retail:** 250 tons Premium retail alfalfa hay \$240 to \$260 fob barn. 150 tons small bale rice straw in a barn \$3.50/bale, for erosion control.

In the Northern Mountains, very quiet this week with only a few sales of retail hay reported. **Retail:** In the Northern CA Mountains, 50 tons Premium retail orchardgrass/alfalfa hay \$280. 150 tons Premium retail timothy hay \$340 fob barn.

In Arizona, moderate trading on alfalfa hay as production of current alfalfa hay is picking up. Prices on dairy and export alfalfa hay steady. Good demand for Supreme export big bale alfalfa hay. Good demand for old and new crop retail alfalfa hay with prices steady. **Dairy:** In Southwest AZ, 550 tons new crop Premium alfalfa hay big bales \$210 fob stack; 2,000 tons old crop Fair alfalfa hay with faults \$170 to \$180 fob barn, for local dairy and beef cattle; 500 tons old crop uncovered alfalfa straw \$60 fob stack. In Central AZ, 2,200 tons Premium/Supreme alfalfa hay big bales \$230 delivered to local dairy, current move; 400 tons grassy Fair alfalfa hay big bales \$170 fob stack, current move to local dairy. In Parker/Poston, 640 tons new crop Premium alfalfa hay \$205, slight rain damage. **Export:** In Southwest AZ, 1,000 tons Premium to Supreme alfalfa hay big bales \$220 fob stack. In Central AZ, 2,350 tons Premium/Supreme alfalfa hay big bales \$215 fob stack. **Retail:** In Central AZ, 1,350 tons old crop Premium retail alfalfa hay \$285 fob barn; 100 tons new crop \$285 fob stack, current move; 450 tons old crop Good (#2) retail alfalfa hay \$265 fob barn, 80 tons new crop \$265.

In Nevada, few old crop alfalfa hay prices steady, no comparison with last year on new crop contracts. Demand picked up on few supplies of old crop dairy alfalfa hay and for new crop contracts on dairy, export, and retail alfalfa hay with one bigger new crop export deal still pending in western Nevada. Rain is forecast in many areas again next week. All sales on big bales except retail hay contract. **Dairy:** In Western NV, 600 tons top tarped Supreme alfalfa hay \$215 to \$220,

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current move; 625 tons top tarped Premium alfalfa hay \$190 to \$200, 200 tons un-tarped \$180; 418 tons top tarped and un-tarped Fair alfalfa hay with weeds and/or grass \$143 to \$150. Load un-tarped 3 way grain hay \$125, for beef cattle. 75 tons un-tarped Good beardless wheat hay \$115 fob stack. In Diamond Valley, 650 tons Supreme alfalfa hay (tested better than it looked) \$180 fob barn. In East Central NV, 650 tons high Good to Supreme alfalfa hay, most in barns with about 25% outside un-tarped, \$180 fob, 60 day movement; 150 tons un-tarped Good alfalfa hay \$175, for local beef cattle; 125 tons un-tarped Fair alfalfa hay \$150. **Dairy: New Crop Contract:** In South Central NV, 3,000 tons high Premium to Supreme alfalfa hay first and fourth cuttings (180 RFV and higher) \$275 delivered to Central CA, 90% paid up front, no rain damage. **Export: New Crop Contracts:** In Northern NV, 14,000 tons with about 2,000 tons Premium alfalfa hay (170 RFV and higher) \$185 fob stack; 11,000 tons (clean and green) Fair to Good alfalfa hay (140 to 169 RFV) \$170; 1,000 tons Fair export alfalfa hay (below 140 RFV) \$150 fob stack, 20% paid up front, balance in payments, no rained on hay, mostly current move when it goes up. **Retail: New Crop Contract:** In Western NV, 5,000 tons of alfalfa hay small bales in a range of \$180 on Good alfalfa hay and a top of \$220 on Premium retail alfalfa hay with some prices in the middle, some money paid up front.

In Idaho, hay trading slow with prices steady compared to last week. Demand turned light for Fair alfalfa hay from beef cattle buyers as warmer temperatures in Southern and Southwest Idaho has grass growing. First export alfalfa hay contract for new crop reported with prices about \$15 per ton higher compared to last year. Growers in Southwest Idaho report alfalfa is greening up but is a little behind schedule. All sales on big bales with dairy hay sales to the Magic Valley dairies unless specified otherwise. **Dairy:** In Southern ID, 1,600 tons tarped Premium/Supreme alfalfa hay \$188 to \$190 delivered, mostly \$190 delivered to Magic Valley dairies; 300 tons Fair alfalfa hay \$175 delivered. In Eastern ID, load top tarped Supreme alfalfa hay \$175, going CA dairy; 375 tons tarped Good to Premium alfalfa hay \$160 to \$165 fob stack; 350 tons tarped Fair alfalfa hay \$150 fob stack. **Dairy: New Crop Contract:** In Southwest ID, 1,800 tons all four cuttings Fair to low Good alfalfa hay rain or shine, \$160 delivered, short haul to local dairy or dairy heifer lot, 90% paid as each cutting goes up. **Export: New Crop Contract:** In Eastern ID, 15,000 tons export alfalfa hay big bales, Supreme \$170, Premium \$155, Fair to low Good \$140, rained on or weedy \$130, buyer will fully wrap the hay, some money down after first cutting with balance paid as moved, extended movement.

In the Washington-Oregon Columbia Basin, slow trading on alfalfa hay, prices steady to firm. Timothy prices steady with export contacts reporting a little more interest in 2<sup>nd</sup> cutting timothy. Export contacts report demand from China for alfalfa hay picked up some after the Chinese New Year and has remained steady. Our contact in China said some Chinese buyers that were expecting a U.S-China trade deal to be settled in March have not been in the market. Columbia Basin growers are finally in alfalfa fields and pushing hard to catch-up. Contacts anticipate lower yields on first cutting alfalfa. All sales big bales unless specified otherwise, prices fob wrapped stack unless specified otherwise. **Dairy/Beef:** 600 tons Premium/Supreme alfalfa hay \$220 fob stack; 900 tons Fair to Good alfalfa hay \$195 to \$205. 1,100 tons Good 2<sup>nd</sup> cutting timothy hay big bales \$160 to \$175, mostly \$170, for dairy & beef cattle. **Export:** 300 tons 2<sup>nd</sup> cutting #1 timothy \$170 fob.

In Utah, alfalfa hay trading slow this week with prices steady where there was a comparison. Many contacts were working to move previously sold hay to clean out barns. One contact reported it was easier finding dry vans this month and a lot of hay has been moving. **Dairy:** In Central UT, 300 tons Supreme alfalfa hay \$205 fob barn, going to Central California dairy. In Southern UT, 1,200 tons Premium/Supreme alfalfa hay \$210 fob barn, going to Central California dairy.

**Dairy Product Prices** - Block cheese prices on the CME Wednesday reached the highest price in six months at \$1.7300. Barrel and Block cheese prices this week were higher for the third consecutive week. Even though barrel prices closed 3.75 cents higher than a week ago at \$1.6025, the highest price in six months, block cheese fell 8.50 cents late in the week to \$1.6450 per pound. The lower block price narrowed the price spread between blocks and barrels. The class III milk futures did not show much change on Friday and while April at \$15.61 was up 28 cents from a week ago, other months were mixed with only slight movement. USDA Dairy Market News reported this week that the new federal milk marketing order in California is reshuffling how milk flows into manufacturing facilities. As a result they say that less cheese is being made in CA and more butter and powder. Nonfat dry milk closed at \$0.9625 on the CME Friday, up a half a cent. Butter at \$2.2550 was down 1 cent and dry whey at \$0.3225 per pound was down three quarters of a cent.

**Hay Crops Lead all Acres in Imperial Valley** – In the Imperial Irrigation District crop ranking and acreage report for 2018, alfalfa was still the leading crop at 138,453 (115,537 hay acres and 22,916 seed acres) for a total of 30.6% of all crop acres. Bermuda was second at 55,587 (46,701 hay and 8,886 seed) for a total of 12.3% of all crop acres. Sudan hay acres were third at 48,576 or 10.7% of total acres. Kleingrass hay acres ranked seventh with 17,932 or 4% of total crop acres. Total hay and seed acres (including 31,802 acres of seed) were 260,548 or 58% of the total of 452,976 crop acres in the Imperial Valley in 2018. In 2017, total hay and seed acres (including 65,822 acres of seed) were 258,176 or unchanged from 2018 but seed acres were more than double. In 2016, total hay and seed acres in Imperial Valley

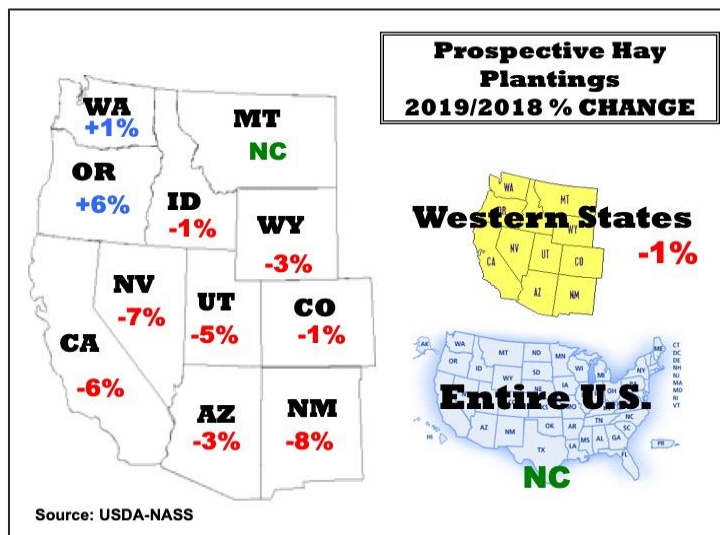
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(including 59,338 acres of seed) were 251,433 or 3% lower than 2018.

### All Hay Acres in the Seven Western States Down 1 Percent – Another Record Low for California – Prospective hay

plantings in the 11 Western States were down 1% from a year ago with the 60,000 acre decline in CA the most of any western State. Hay acres were up in the Imperial Valley but not enough to offset the declines in alfalfa hay in Central CA. All hay acres in CA were down 6% to 920,000, the lowest hay acres since record keeping began in 1909 and compares to 1.750 million acres in 2002. Central CA dairies will have to rely more on the southern desert and out-of-state alfalfa hay to fill their needs. In the PNW, Oregon hay acres were estimated at 1.060 million, up 6% with Washington up 1 percent to 770,000. Idaho was down 1% to 1.330 million acres. With low wheat prices our contacts expect a little more spring alfalfa planting, especially in higher elevation areas that have limited crop options. After a big increase last year, Montana acres were estimated to be unchanged. **Other Highlights** from the Prospective Plantings report: U.S. corn acres are expected to be up 4% nationally and the top five corn states all showed 1% to 3% increases. This surprised analyst and sent May corn futures down 17.5 cents a bushel on Friday to \$3.56. National soybean acres were down 5% but soybeans in storage are the third highest on record.



**U.S Dairy Product Exports** – U.S. dairy product exports in January showed the trade war and tariffs were having a negative impact. Exports were down 9%, at 151,851 Metric Tons (MT), compared to 166,217 MT in January 2018. The decrease was led by a 28% drop in total whey exports. Whey exports to China were down 54% while total dairy exports to China were down 41%. The African Swine Flu epidemic in China has had a big impact on the Chinese dry whey imports as dry whey is primarily fed to piglets. Cheese exports were up 3% as a 20% decline to Mexico was offset by increased sales to Guatemala, South Korea, and Australia. U.S. Dairy exports in January were the equivalent of 12.5% of U.S. milk production in January, the lowest percentage of monthly milk production exported in three years.

**Dairy Cattle Prices** - The Ed Brower Dairy will sell 1,300 Holstein cows, 75% first & second lactation, and 1,300 heifers at a dispersal sale at the dairy in Exeter, CA on April 11. A&M Livestock Auction is handling the sale. At the monthly Holstein steer video auction at Overland Stock Yard they sold 15,000 head. Demand was moderate with 325 pound May calves steady to \$5 higher than last month, not enough June and July calves to fully test the market, and no comparison on August calves. Large Frame 3 Holstein steer calves, 325 lbs., for May delivery \$119 to \$123 cwt., 4 loads July calves \$108.50 to \$110, August delivery \$111 to \$113, 9 loads \$125 to \$126 cwt., fob Central CA calf lots. Few Holstein Springers at Overland Stock Yard this week sold from \$900 to \$1250 each. Slaughter cows at Overland on Thursday sold steady with a week ago with Breaking and Boning Utility dairy cows trading from \$55 to \$65 cwt.

**Hay Exports** – Total hay and straw imports into Japan in February totaled 160,575 Metric Tons (MT), down 8% from the 173,598 MT in January but up 5% from the 152,818 MT in February of last year, according to Japanese Port data. In early 2019, imports of grass hays from the west coast to Japan were up over last year. February imports of bermuda hay were up 16% while timothy hay from the PNW was 26% higher. Kleingrass and Sudan hay imports from CA were higher than last year. According to our export contacts competitive pricing on the grass hays was the reason for the recent increased imports. Turning to US Census Bureau data, exports of alfalfa hay from Seattle/Tacoma ports to China in December 2018 were up 83% from November and this along with strong alfalfa exports to South Korea and Japan helped to push total hay exports from Seattle/Tacoma ports to 172,998 MT in December, up 10% from November and 7% higher than December 2017. Total hay exports from Seattle/Tacoma ports in December were the largest since April 2018. Exports of alfalfa hay from Long Beach/L.A. ports to China in December 2018 were up 16% from November but lower alfalfa exports to Saudi Arabia, Japan, and the UAE were big reasons for lower total hay exports from California ports in December at 166,235 MT, down 10% from November and 7% lower than December 2017. Best Regards, Seth & Josh

<b>Alfalfa Hay Test Guidelines</b> (used with visual appearance of hay)			
	<b>TDN (90% DM)</b>	<b>RFV (100% DM)</b>	<b>CP (100% DM)</b>
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