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This week's Market Overview
 Alfalfa hay trading moderate with prices steady. Rain on Friday south of Fresno damaged some hay on the ground and halted second cutting in Kern County. **(Sales in narrative of report fob stack for current move unless specified otherwise, dollars per short ton)**

Some hay dealers said it was becoming more difficult to sell alfalfa hay into Central CA dairies at current prices. Some dairies were looking forward to second cutting anticipating better tests than the rain delayed first cutting. Demand good for beardless wheat hay with ample supplies. Some growers started second cutting in Kern County but were hit with rain Friday. Rain was light with few areas receiving up to an inch. Rain delayed some choppers working on wheat silage in Fresno county.

In Kern County, **Dairy:** 550 tons Premium alfalfa hay \$245, 350 tons high Premium with short haul \$255 fob stack; 600 tons high Good to Premium alfalfa hay \$230 to \$235; 100 tons low Good \$215. 1,175 tons Premium oat hay big and small bales \$140 to \$150 fob stack.

In Tulare, Kings, Fresno Counties, **Dairy:** 325 tons Supreme alfalfa hay \$245 to \$250 fob stack; 935 tons Premium alfalfa hay \$235 to \$240, 3,000 tons with weeds or some grass \$227.50; 380 tons Good alfalfa hay \$225,

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 a 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 (June 2019)	Cwt.	\$16.31	\$16.58	\$15.86
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.	\$1.6800	\$1.6750	\$1.6325
Barrel Cheese	\$/Lbs.	\$1.7100	\$1.6625	\$1.6200
All Hay Exports From West Coast Ports (U.S. Census Bureau) Jan - Feb 2019				
California Ports	Metric Tons	311,065		302,736
Washington Ports	Metric Tons	273,693		280,263
Rolled Corn Dlvd to Magic Valley ID Dairies	\$/Ton	\$183	\$189	N/A
Rolled Corn Dlvd to Central CA Dairies	\$/Ton	\$189	\$195	\$199
No. 2 Yellow Corn – FOB Iowa (USDA)	\$/Ton	\$117-\$123	\$123-\$132	\$128-\$138
Ethanol Price – FOB Iowa (USDA)	\$/Gal	\$1.17-\$1.35	\$1.16-\$1.33	\$1.28-\$1.47
Crude Oil – New York Futures (June 2019)	\$/Barrel	\$61.66	\$61.94	\$70.70
Alfalfa Hay Prices – (The Hoyt Report)				
California – Dlvd to Tulare/Hanford Dairies				
	Tons			
Supreme	950	\$/Ton \$275-\$285	\$275-\$290	\$290-\$300
Premium	1,575	\$/Ton \$258-\$275	\$265-\$278	\$265-\$290
Good	725	\$/Ton \$245-\$255	\$250-\$255	\$260-\$275
Fair		\$/Ton No Sales	\$225-\$230	\$225-\$230
Dlvd Escalon, Modesto, Turlock Dairies				
Supreme	1,960	\$/Ton \$265-\$283	\$270-\$290	\$285-\$300
Premium	2,015	\$/Ton \$250-\$260	\$250-\$265	\$265-\$285
Good	350	\$/Ton \$240-\$245	\$240-\$250	\$250-\$260
Fair	300	\$/Ton \$215	\$215	\$220-\$228
Idaho – Alfalfa Hay Big Bales, FOB Stack				
Supreme		\$/Ton No Sales	\$165	No Sales
Prem/Supreme (Southwest ID)	2,000	\$/Ton \$185	No Sales	No Sales
Good/Premium	600	\$/Ton \$160	No Sales	No Sales
Fair (Eastern ID)	500	\$/Ton \$150	\$150	\$100
WA/OR (C. Basin) Alfalfa, FOB				
Supreme big bale (Dairy) NC&OC	1,300	\$/Ton \$200-\$217	No Sales	OC 175-180
Premium big bale (Dairy) OC	90	\$/Ton No Sales	No Sales	No Sales
Good big bale (Dairy)		\$/Ton No Sales	No Sales	No Sales
Fair/Good (Feedlot/Dairy)		\$/Ton No Sales	\$195	\$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

200 tons with weeds & cotton stalks \$215. 4,000 tons Premium beardless wheat hay \$150 fob stack; 900 tons Good to Premium beardless wheat hay \$140; 1,800 tons Fair to Good beardless wheat hay \$130. 50,00 tons wheat for silage \$40 standing, based on 68% moisture. **New Crop Contract:** 800 tons big bale wheat straw \$75 behind the harvester.

In Los Banos-Dos Palos and Merced, **Dairy:** 425 tons Supreme alfalfa big bales with higher test or short haul \$260 to \$265 fob stack, 1,200 tons small bales \$246 to \$250, 500 tons higher moisture \$235; 400 tons Premium alfalfa hay \$240, 100 tons with heavy weeds \$210; 200 tons Good alfalfa hay a little dry \$200 to \$210. 950 tons Premium beardless wheat hay \$140 to \$150, mostly \$150 fob stack; 1,900 tons Fair/Good beardless wheat hay, some with weeds, \$125 to \$130; 850 tons Fair beardless wheat hay with heavy weeds \$100 fob stack.

In the Imperial Valley, prices on alfalfa hay to dairy buyers steady, to export buyers steady to \$5 lower in moderate to good demand. Sales on bermuda hay for export limited at steady prices. Good demand for kleingrass for export, prices steady. Retail alfalfa hay and bermuda hay markets steady. Contacts reported recent temperatures in the mid 80's helped stabilize test results on alfalfa hay, but the forecast calls for triple digit temperatures next week. Production slowed some this week with windy conditions. Forecast for rain this weekend had many buyers and growers working fast to move or cover stacks. **Dairy:** 1,250 tons Supreme alfalfa hay \$235 fob, direct sale to Southern CA dairy for current to extended movement; 1,850 tons Premium/Supreme alfalfa hay big and small bales \$220 to \$225 fob stack, some for storage, 300 tons with weeds \$210; 2,225 tons Premium alfalfa hay big and small bales \$210 to \$217, latter price for storage, 320 tons weedy \$200; 680 tons Good alfalfa hay mostly big bales \$195 to \$200, 250 tons with varying weeds \$175 to \$190; 1,700 tons big bale bermuda straw \$98 fob stack, going to Southern CA dairy. **Export:** 1,050 tons Supreme alfalfa hay big bales \$220 to \$230 fob stack; 5,900 tons Premium alfalfa hay big and small bales \$215 to \$225, 875 tons \$205, 3,000 tons high Premium big bales \$230 fob stack. 480 tons Premium bermuda hay big bales \$170; 200 tons Good Bermuda hay big bales \$155 fob stack. 2,825 tons Premium kleingrass hay, mostly big bales, \$180 to \$185 fob stack; 200 tons Good kleingrass mostly big bales \$175, 600 tons with weeds \$140 to \$145. **Retail/Stable: (Mostly New Crop)** 625 tons Premium retail alfalfa hay \$240 to \$260, mostly \$250 fob stack; 150 tons Good retail alfalfa hay \$235; 100 tons Premium stable alfalfa \$220, 50 tons high premium old crop \$250 fob wrapped stack; 225 tons Good stable alfalfa \$210. 275 tons Premium retail bermuda hay \$220 to \$230 fob stack; 40 tons tarped old crop Good stable bermuda hay \$180 to \$185.

In Blythe, dairy and export alfalfa hay prices steady. Retail alfalfa hay steady to weak. **Dairy:** 2,350 tons Premium to Supreme alfalfa hay \$220 to \$225 fob stack; 1,955 tons Premium alfalfa hay \$210 to \$215; 350 tons Good alfalfa hay \$195 to \$200, 200 tons weedy \$185. 250 tons old crop Fair bermuda hay for dry cows \$100 fob stack. **Export:** 2,700 tons Premium alfalfa hay big bales \$215 fob stack; **Retail/Stable: New Crop:** 1,150 tons Premium retail alfalfa hay \$240 to \$250. 125 tons Premium stable alfalfa hay \$225 fob stack. **Old Crop:** 175 tons Good retail alfalfa hay \$240 fob barn. 175 tons Premium stable alfalfa hay \$220 fob barn

In Tracy-Patterson, Modesto, Stockton, and Lodi, dairy and retail alfalfa hay prices steady compared to last week. **Dairy:** 260 tons Supreme alfalfa hay \$245 to \$255 fob stack in Tracy, 1,075 tons other Supreme alfalfa hay mainly in the Stockton Delta \$220 to \$240, mostly \$240, 75 tons high protein \$255; 1,600 tons Premium alfalfa hay \$220 to \$235, 75 tons in Tracy \$240, 225 tons higher moisture \$190; 875 tons Fair to Good alfalfa hay part of it baled dry \$175 to \$180 fob stack. 50 tons Premium oat hay big bales in Tracy \$150 fob stack. 100 tons Premium beardless wheat hay \$150. load Good/Premium \$135 fob stack. **Retail: Old Crop:** 200 tons Premium retail alfalfa hay \$250 fob barn. Load Premium retail orchardgrass \$260 fob barn. **New Crop:** 400 tons Premium retail alfalfa hay \$220 fob stack.

In the Sacramento Valley and Delta, prices steady compared to last week. Some sales reported from further north in the valley as production is going well. Few sales on retail hay with prices steady. **Dairy:** 1,230 tons Supreme alfalfa hay \$230 to \$240, 900 tons high protein \$250 fob stack; 1,450 tons Premium alfalfa hay \$215 to \$220, 200 tons longer haul \$205; 1,500 tons Good alfalfa hay \$205 to \$210, 650 tons with little grass or longer haul \$200; 600 tons Fair to low Good alfalfa hay \$180 fob stack. **Retail: Old Crop:** 400 tons Premium retail alfalfa hay \$240 to \$260 fob barn. 75 tons rice straw small bales \$3.50 fob barn. **Retail: New Crop:** 275 tons Premium retail oat hay \$170 fob stack.

In the Northern Mountains, Retail hay prices steady, no sales reported on dairy alfalfa hay. **Retail:** 150 tons Premium retail timothy hay \$340 fob barn. 200 tons Premium orchardgrass/alfalfa mix \$280.

In Arizona, alfalfa hay prices steady to all outlets in moderate to good demand. Good demand from export buyers. More rain in Central to Northern AZ this week but rain was light in areas where hay was down. **Dairy:** In Southwest AZ, 450 tons Good to Premium alfalfa hay \$195 to \$200, current move to local dairy. In Central AZ, 1,200 tons Premium alfalfa hay \$210 fob stack. In Parker/Poston, 650 tons Premium alfalfa hay big and small bales \$210 to \$220 fob stack; 380 tons Good alfalfa hay \$200 to \$205, 450 tons with weeds or grass \$180 to \$190. **Export:** In Central AZ, 2,200 tons

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Premium/Supreme alfalfa hay big bales \$220 to \$222 fob stack; 1,750 tons Premium alfalfa hay big bales \$205 to \$215; 600 tons Good alfalfa hay big bales \$195. In Southwest AZ, 2,500 tons Premium/Supreme alfalfa hay big bales \$230 fob stack. **Retail:** In Parker/Poston, 225 tons Premium retail alfalfa hay \$240 fob stack. In Central AZ, 350 tons Premium retail alfalfa \$260 to \$265 fob barn, 450 tons \$235 fob outside stack; 380 tons Good (#2) retail alfalfa \$210 to \$220 fob stack.

In Nevada, very limited trading this week with not enough hay sales to test the market. Contacts report some growers in the Fallon and Yerington areas have started cutting new crop alfalfa hay. Parts of Central Nevada saw freezing temperatures late last week that slightly damaged some alfalfa. **Dairy:** In Western NV, 50 tons slightly rain damaged Fair alfalfa hay \$140 fob barn. Load un-tarped Fair beardless wheat hay with top bales out \$100 fob stack.

In Idaho, hay trading moderate. Not a good comparison with last week on old crop alfalfa hay except a few Fair alfalfa hay steady. Contracting of new crop alfalfa hay for export was very quiet this week with the exporters that contracted big volume the past two months saying they made no deals this week. Only a few new crop contracts on feeder hay for feedlot and dairy with no big dairy hay contracts reported. There should be some new crop alfalfa hay trading in Southern Idaho next week. Rain in Eastern Idaho this week with spotty rain in Southern Idaho that caught a little new hay on the ground. All sales on big bales with dairy hay going to Magic Valley dairies unless specified otherwise. **Dairy: Old Crop:** In Southwest ID, 2,000 tons top tarped Premium to Supreme alfalfa hay \$185 fob stack, shorter haul to Treasure Valley dairy, current move, 90% paid up front. In Central ID, 600 tons top tarped Good to Premium alfalfa hay \$160, to local dairy. In Southeast ID, 75 tons Supreme alfalfa hay \$170 fob barn. In Eastern ID, 500 tons tarped Fair alfalfa hay with faults, including rain damage, \$150. **Dairy/Feedlot: Mixed New Crop Contracts and Old Crop Alfalfa Hay:** 2,500 tons Fair alfalfa hay, including hay with rain damage, \$175 delivered to Southern Idaho, 4,000 tons in Eastern ID with heavier damage including un-tarped old crop with heavy stack damage \$130 to \$133 fob stack. **Retail/Stable:** In Southeast ID, 75 tons Premium retail and stable alfalfa 3x3 bales \$165 fob barn, going to Texas.

In the Washington-Oregon Columbia Basin, hay trading moderate. First sale on new crop Supreme dairy alfalfa hay in Southern Basin with no comparison with a year ago because of large amount of rained on hay in May of last year. In the last week of May last year non-rained on Premium dairy alfalfa hay traded from \$190 to \$200 fob stack but still no Supreme. One clean and green new crop export alfalfa contract this week and more hay committed to export buyers with price to be established when hay goes in stack. The Ellensburg Dairy Record reported there was a major fire Tuesday night that destroyed the press at Hajny Trading Company in Kittitas. More growers were cutting hay this week with temperatures forecast to reach 89 to 93 degrees in the Basin Saturday & Sunday. All sales on big bales unless specified otherwise, prices fob wrapped stack unless specified otherwise. **Dairy: New Crop:** In the Southern Basin, 1,200 tons Supreme alfalfa hay \$217 fob stack, direct sale to dairy, no tarp, current move (30 days). **Dairy: Old Crop:** 100 tons top tarped Supreme alfalfa hay \$200 fob stack; 90 tons Premium alfalfa hay \$190, 300 tons top tarped Premium alfalfa from Montana \$215 delivered to WA dairies. **Export: New Crop Contracts:** 5,000 tons Good export alfalfa hay (clean and green) \$180 fob wrapped stack, must have minimum 150 RFV and 18% protein, payments start when first hay goes in bale, must be exportable. 28,300 tons mostly alfalfa hay with about 25% timothy hay for the season, price established when hay goes in stack, most on scheduled payments with a little 25% paid up front, all hay must be exportable.

In Utah, very quiet this week on alfalfa hay trading with only one sale reported. With first crop alfalfa hay a few weeks away some growers are concerned that hay sold for export has not been moved from barns they need to use for first cutting alfalfa hay. Temperatures forecast to warm into the 70 and 80's next week. **Beef:** In Central UT, 1,300 tons un-tarped Fair alfalfa hay with stack damage \$150 fob stack, for beef cattle in Eastern Utah, move in 60 days.

Dairy Product Prices – The news continues to be positive with barrel cheese on the CME up 4.75 cents this week to reach \$1.7100 and blocks were up a half a cent to \$1.6800. While cheese prices retracted the second half of the week, strong exports along with strong retail sales in the U.S. and lower production were positives. Nonfat dry milk on the CME closed the week up 1.5 cents to \$1.0675 per pound. Lower production and reduced inventories helped to firm the powder market. Butter prices climbed 5.75 cents to \$2.3400. While dry whey prices were unchanged on the CME, there are concerns with growing inventories in spite of lower production. The positive according to the Dairy & Market Analyst was that some U.S. exporters have picked-up dry whey sales to non-China destinations. Between the tariffs and African Swine Fever the China market for dry whey is not promising.

Dairy Cattle Prices - At the monthly dairy heifer sale at the A&M Livestock Auction in Hanford, CA last week they sold 3,000 head. Strong demand for overall excellent quality heifers with around 95% going out of State. Open heifers sold \$100 to \$200 over their weights on a per head basis, for example Top 4 weight Holstein heifers brought \$1.40 a pound and 700 to 750 lb. heifers \$1.20 to \$1.25 per pound. Top Holstein Springers traded from \$1,500 to \$1,600 per head with Jersey heifers \$1,200 to \$1,300. At the Overland Stock Yard this week Springer heifers sold \$100 per head higher from

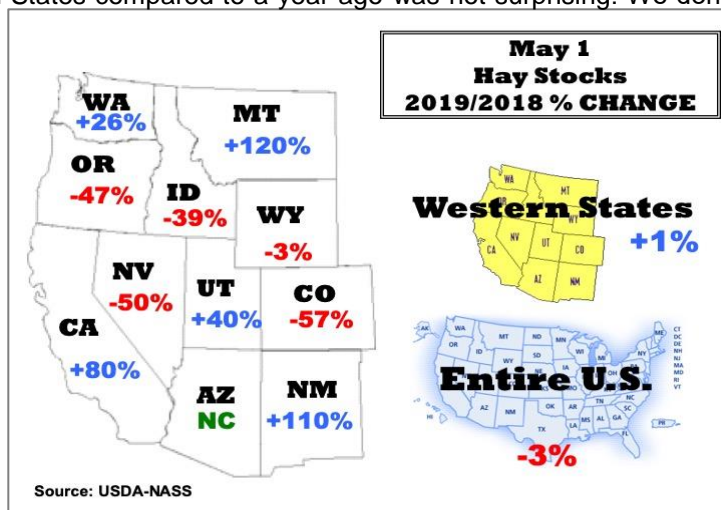
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\$1,250 to \$1,600 each. Slaughter cows at Central CA auctions sold steady to \$3 higher according to auction staff with Breaking and better Boning Utility dairy cows trading from \$67 to \$80 cwt.

May 1, 2019 Hay Stocks Lower in the Seven Western States and U.S. - USDA's May 1, 2019 hay stocks report showing a 12% decline in hay stocks in the seven Western States compared to a year ago was not surprising. We don't

know where the 120,000 extra tons of old crop hay are in California. We know there were extra supplies of retail alfalfa hay in a few areas but not 120,000 tons! However, May 1 stocks in CA a year ago were the second lowest on record so the 80% increase may be misleading. We agree with USDA on the 39% decline in hay stocks in Idaho and 50% drop in Nevada. Feedback from contacts indicated that old crop hay supplies were tight in these two States. At first glance you would think the 40% higher hay stocks in Utah was a miss-print but when you consider a large amount of mainly export alfalfa hay and some dairy old crop alfalfa hay that has not moved in Utah it makes the higher stocks believable. When you look at 26% higher hay stocks on May 1 in Washington you start to scratch your head until you consider the slow movement of timothy hay for export. Feedback from contacts indicated that alfalfa hay stocks were down but timothy hay was a different story due to slower than normal movement. We don't have a pulse on hay stocks in some of the other 11 Western States. The bottom line: overall hay stocks are down in the 7 Western States.



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China Trade Talks – The U.S.-China trade negotiations took a step back this week as U.S. raised the tariffs on \$200 billion worth of Chinese goods on Friday. The tariff on these goods went from 10% to 25% in response to what U.S. officials called reneging by the Chinese on earlier negotiated commitments. On Thursday President Trump said the U.S. is starting the paperwork on enforcing a 25% tariff on an additional \$325 billion worth of Chinese goods that are not currently taxed. Discussions are ongoing as top trade officials met in Washington D.C. on Thursday and plan to meet again on Friday. China has denied it has backtracked on previous agreements and has promised to retaliate with its own countermeasures. So far China has targeted U.S. agriculture products, and according to the Wall Street Journal, this has industry members worried more could be on the way. The reaction from our domestic export contacts on what impact this could have on West Coast alfalfa hay exports was mixed. Some contacts had been less optimistic a deal would be done and had been planning on the current environment continuing. One contact said this week's uncertainty had caused him to pull back from plans to contract some new crop alfalfa hay in Utah. The overall sentiment was the longer this drags out the more of a negative impact it could have on Chinese demand for West Coast alfalfa hay.

Imperial Valley Acres – According to the Imperial Irrigation District, alfalfa hay acres in the Imperial Valley on May 8, 2019 totaled 131,309, up 5% from the 124,830 acres a year ago. Alfalfa seed acres at 8,504 were down 25% from the 11,412 acres last year. Bermuda hay acres at 60,703 were up 28% from the 47,481 acres from last year. Bermuda seed acres at 5,273, compared to 6,695 a year ago. Kleingrass hay acres at 20,601 were up 23% from the 16,797 in mid-May of last year. Durum wheat acres in the Imperial Valley on May 8 were 7,669, compared to 22,172 acres a year ago.

U.S Dairy Exports – Exports of U.S. cheese hit a record high in March according to the U.S Dairy Export Council (USDEC). U.S cheese exports totaled 37,190 metric tons (MT) up 10% from 33,844 MT from March 2018. Cheese exports accounted for 7.4% of total U.S. cheese production compared to 6.7% last year. At the same time the aggregate volume of U.S dairy exports in March and the first quarter were down 12% from the same period last year. The was driven by declines in nonfat dry milk, total whey, and lactose exports. Total dairy exports to our largest buyer, Mexico, were down 6% while the continuing trade war with China has U.S. dairy export totals to that country off by 30% compared to a year ago. While dairy imports into China grew by 13% in the first quarter of 2019, the U.S. has been left out of that expansion, according to the USDEC. At the same time the U.S. has seen strong growth in other parts of Asia as total dairy exports to Southeast Asia were up 41%, South Korea was up 31%, and Japan was up 5% in March. 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