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**This week's Market Overview**  
 Intermittent rainstorms and below average temperatures in Central California disrupted normal alfalfa hay production and slowed trading. Prices steady for undamaged alfalfa and grain hay. **(Sales in narrative of report fob stack for current movement unless specified otherwise, dollars per short ton)**

Trading slowed considerably this week as growers attempted to bale and or stack hay in-between rainstorms and buyers assessed damage. Rain amounts varied with reports of extremes up to 2 inches in some places. With more rain expected this weekend growers were waiting for next week to resume hay production. Chopping on wheat for silage was delayed and is now expected to be done next week.

In Kern County, **Dairy:** 250 tons low Premium alfalfa hay small bales \$230 fob stack.

In Tulare, Kings, and Fresno Counties, **Dairy:** 950 tons Supreme alfalfa hay \$245 to \$250 fob stack, includes 450 tons top tarped small bales \$250; 130 tons Good alfalfa hay rained on in stack \$210; 175 tons Fair alfalfa hay rained on in stack \$190 fob. 1,000 tons Premium beardless wheat hay big bales \$145 fob stack. 15,000 tons wheat for silage \$40 standing, based on 68% moisture.

In Los Banos-Dos Palos and

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 (June 2019)	Cwt.	\$16.31	\$16.45	\$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.	\$1.6825	\$1.6725	\$1.6100
Barrel Cheese	\$/Lbs.	\$1.5800	\$1.6250	\$1.5450
All Hay Exports From West Coast Ports				
(U.S. Census Bureau) Jan - Mar 2019				
California Ports	Metric	488,822		488,356
Washington Ports	Tons	440,234		443,065
Rolled Corn Dlvd to Magic Valley ID Dairies	\$/Ton	\$199	\$193	N/A
Rolled Corn Dlvd to Central CA Dairies	\$/Ton	\$200	\$197	\$200
No. 2 Yellow Corn – FOB Iowa (USDA)	\$/Ton	\$127-\$133	\$126-\$129	\$129-\$137
Ethanol Price – FOB Iowa (USDA)	\$/Gal	\$1.20-\$1.40	\$1.12-\$1.30	\$1.30-\$1.52
Crude Oil – New York Futures (July 2019)	\$/Barrel	\$58.63	\$62.76	\$67.88
Alfalfa Hay Prices – (The Hoyt Report)				
California – Dlvd to Tulare/Hanford Dairies				
	Tons			
Supreme	575	\$/Ton \$270-\$288	\$268-\$285	\$290-\$305
Premium	310	\$/Ton \$255-\$270	\$255-\$270	\$270-\$287
Good		\$/Ton No Sales	\$240-\$250	\$260-\$275
Fair	125	\$/Ton \$220-\$225	\$218-\$230	\$225-\$240
Dlvd Escalon, Modesto, Turlock Dairies				
Supreme	650	\$/Ton \$275-\$285	\$270-\$290	\$285-\$300
Premium		\$/Ton No Sales	\$250-\$265	\$265-\$280
Good	250	\$/Ton \$240-\$250	\$245-\$250	No Sales
Fair	100	\$/Ton \$220	No Sales	\$230-\$235
Idaho – Alfalfa Hay Big Bales, FOB Stack				
Supreme New Crop	1,288	\$/Ton \$188-\$200	\$190-\$200	No Sales
Prem/Supreme New Crop	600	\$/Ton \$190	No Sales	No Sales
Good Old Crop Export	600	\$/Ton \$160	No Sales	\$130-\$135
Fair Old Crop	1,200	\$/Ton \$145-\$150	\$150	\$95-\$120
WA/OR (C. Basin) Alfalfa, FOB				
Supreme big bale (Dairy) NC		\$/Ton No Sales	\$210-\$230	No Sales
Prem/Sup big bale (Export) NC	2,200	\$/Ton \$223-\$230	\$205	\$180-\$195
Good big bale (Export)		\$/Ton No Sales	No Sales	\$173-\$175
Fair/Good (Feedlot/Dairy)		\$/Ton No Sales	No Sales	\$150

\*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

Merced, **Dairy:** 325 tons Supreme alfalfa hay \$250 to \$255 fob stack; 125 tons Premium alfalfa hay high moisture \$195; 340 tons Good alfalfa hay \$222 to \$225, 200 tons rained on in the stack \$210. 200 tons Good beardless wheat hay small bales \$125; 400 tons Fair beardless wheat hay with rain stack damage \$105 fob stack, going to local feedlot.

In the Imperial Valley, good demand for export alfalfa hay with prices steady to \$5 lower with only a few buyers in the market. Moderate demand for dairy alfalfa hay with prices steady. Good demand for kleingrass for export, prices steady. Bermuda hay for export prices steady to \$5 higher in slow trading. Retail alfalfa and limited sales retail bermuda hay steady. Strong winds and below average temperatures have made hay production difficult. One contact reported quality test results dropped this week with no Supreme export alfalfa hay trades reported. Rain in Central California has improved demand from central valley dairy hay buyers for Premium quality alfalfa hay in the Imperial Valley. **Dairy:** 350 tons Supreme alfalfa hay \$220 fob stack; 925 tons Premium alfalfa hay \$210, 400 tons for storage \$215, 1,360 tons baled dry or bleachy \$195 to \$205; 100 tons Good alfalfa hay \$200. 350 tons Premium oat hay small bales \$115 to \$120 fob stack. 250 tons Fair bermuda hay with volunteer oats \$110, to local feedlot. **Export:** 500 tons Premium/Supreme alfalfa hay big bales sold last week \$225 to \$230; 12,450 tons Premium alfalfa hay big bales sold the last two weeks \$215 to \$225, sales this week \$215 to \$220 fob stack; 7,920 tons Good/Premium alfalfa hay big bales \$205 to \$210, mostly \$210; 4,550 tons Good alfalfa big bales \$195 to \$200. 330 tons Premium bermuda hay small bales \$170 to \$180; 1,000 tons Good bermuda hay big bales \$155 to \$160; 400 tons Fair bermuda hay big bales \$140 fob stack. 3,100 tons Premium kleingrass hay big bales \$180 to \$185. **Retail/Stable:** 55 tons old crop Premium retail alfalfa hay \$250 to \$260 fob barn, 235 tons new crop \$230 to \$245, mostly \$240 to \$245 fob stack; load Good retail alfalfa hay \$225. 175 tons Premium stable alfalfa hay \$220. 95 tons tarped Premium retail bermuda hay \$215 to \$225 fob stack.

In Blythe, dairy alfalfa hay prices steady in moderate to good demand. No comparison on one sale of export alfalfa hay. Retail alfalfa hay steady to \$10 lower. Windy conditions made production difficult. **Dairy:** 1,400 tons Premium/Supreme alfalfa hay big bales \$220 fob stack; 858 tons Premium alfalfa hay big and small bales \$210 to \$215; 910 tons Good alfalfa hay \$195 to \$205. 2,000 tons Fair oat hay big and small bales \$100 fob stack, going to Central Valley dairy. **Export:** 500 tons Good alfalfa hay big bales \$200 fob stack. **Retail:** 700 tons Premium retail alfalfa hay \$230 to \$240 fob stack; 420 tons Premium stable alfalfa hay \$225. 125 tons Premium retail bermuda hay \$225.

In Tracy-Patterson, Modesto, Stockton and Lodi, rain brought trading to a near standstill on dairy hay with no comparison with last week on a few sales of alfalfa. Retail hay prices steady. Reports of up to three inches of rain and some stacks standing in water. **Dairy:** 50 tons Fair alfalfa hay \$175 fob stack; 100 tons Low quality alfalfa big bales with grass and heavy rained on stack damage \$120. 450 tons Premium oat hay in Tracy \$150, put in barn before rain, 190 tons high Premium with short haul \$160 fob. **Retail:** 180 tons old crop Premium alfalfa hay \$250 fob barn, 125 tons new crop \$220 fob stack. 75 tons Premium new crop retail beardless wheat hay \$160. 100 tons Premium retail oat hay \$160. 75 tons new crop Premium retail orchardgrass hay \$220 fob stack.

In the Sacramento Valley and Delta, in a limited comparison dairy alfalfa hay prices steady. Heavy rainfall disrupted and slowed trading. Most of the hay damaged in the windrow was grain hay. Retail alfalfa hay prices steady. **Dairy:** 150 tons high Supreme alfalfa hay \$250 fob barn; 100 tons Good alfalfa hay small bales \$200; 125 tons with some weeds and longer haul \$165, 50 tons with rain stack damage and standing in water \$170. 75 tons Good beardless wheat hay \$125. **Retail: Old Crop:** 325 tons Premium retail alfalfa hay \$240 fob barn. Load rice straw small bales \$3.50/bale fob barn. **Retail: New Crop:** 50 tons Premium retail orchardgrass/fescue hay \$240. 50 tons Premium retail oat hay \$160 fob stack.

In the Northern Mountains, no new crop sales reported. Old crop retail hay steady. Contacts reported more interest in old crop retail hay in barns because of all the rain. Alfalfa hay from McArthur to Susanville is ready to be cut pending the weather. **Dairy: Organic:** in the Northern CA Mountains, 50 tons tarped Supreme alfalfa hay big bales \$240 fob stack. **Retail: Old Crop:** In the Northern CA Mountains, 125 tons old crop Premium orchardgrass \$305 fob barn. 100 tons old crop Premium orchardgrass/alfalfa hay \$295, 150 tons \$280. 150 tons old crop Premium retail timothy hay \$340 fob barn

In Arizona, limited comparison with last week on export alfalfa hay, prices steady. Dairy alfalfa hay prices steady. Retail alfalfa hay market steady with good interest from out of state buyers. Temperatures have been below average all week. In Central AZ contacts report growers have started harvesting wheat for grain. **Dairy:** In Central AZ, 600 tons Good alfalfa hay \$185 fob stack. In Parker/Poston, 500 tons Premium/Supreme alfalfa hay \$220 fob stack; 900 tons Premium alfalfa hay big and small bales \$210; 200 tons Good alfalfa hay big bales \$200, 200 tons weedy \$175. **Export:** In Southwest AZ, 2,000 tons Good alfalfa hay big bales \$185 fob stack. In Parker/Poston, 450 tons Premium alfalfa hay big bales \$205. **Retail:** In Parker/Poston, 250 tons Premium retail alfalfa hay \$235 to \$240. In Central AZ, 125 tons high Premium retail alfalfa hay \$285 fob barn; 125 tons Premium retail alfalfa hay \$270 fob barn, 1,350 tons \$225 to \$230 fob outside stack; 600 tons Good (#2) retail alfalfa hay \$215 fob outside stack. 500 tons Premium retail bermuda hay \$215.

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In Nevada, limited new crop dairy alfalfa hay steady compared to last week. New crop export contract steady with contracts in April. Alfalfa hay ready to cut in Western Nevada when the rain stops. Forecast for early next week calls for near freezing temperatures in higher elevation areas. **Dairy:** In Western NV, 110 tons new crop Supreme alfalfa hay \$215 fob stack; 300 tons tarped rain damaged old crop Premium alfalfa hay \$175. **Export: New Crop Contract:** In Northern NV three weeks ago, 4,500 tons Good (clean and green) export alfalfa hay \$160 fob stack, buyer will fully wrap stack, rain clause, monthly payments until 75% down, balance paid as hay moves, extended movement.

In Idaho, alfalfa hay prices steady with last week with only a few sales of new crop current production hay reported. Trading slow. Rain has disrupted normal new crop alfalfa hay production and marketing in Southern Idaho. Rainfall as of May 21 was 3 inches above normal for season-to-date and it's still raining. Sources say quite a bit of alfalfa hay has not been cut in Southern Idaho and some cut hay was green chopped. With rain forecast until Tuesday of next week sources say alfalfa hay cut in Southern Idaho after the rains will be overgrown and will be feeder hay quality. Below normal temperatures in Eastern Idaho with nights in the 30's and daytime highs in the high 40's to 50 degrees has stalled growth on alfalfa hay with some stands only 4 to 5 inches tall. All sales on big bales with dairy hay going to the Magic Valley unless specified otherwise. **Dairy: New Crop:** In Southwest ID, 1,100 tons Supreme alfalfa hay \$200 fob stack, buyer tarped, 250 tons \$188 fast move & pay, 800 tons top tarped supreme alfalfa hay with half of it higher in moisture \$180, 250 tons going to Washington averaging 18-19% moisture \$170 fob.; 600 tons top tarped Premium to Supreme alfalfa hay with part of it a little high in moisture \$190 fob stack, short haul to dairy. **Dairy: Old Crop:** In Eastern Idaho 1,000 tons un-tarped Fair alfalfa hay \$145, current move to Magic Valley dairy, buyer must take it all. **Dairy: New Crop Contract:** In Eastern ID, 5,500 tons Fair (clean and green) alfalfa hay for the season \$145 fob stack, current move when it goes up, 50% paid when first hay goes in stack, little rain o.k. but no heavy rain damage. In Western ID and far Eastern OR, 2,000 tons big bale wheat straw \$58 fob stack, fast move & pay after it goes up in July, going to Southwest ID dairy for bedding, little for dry cows. **Feedlot:** 1,000 tons new crop contract Fair alfalfa hay with a little rain on it o.k. \$175 delivered to feedlot in Southern Idaho. In Eastern ID, 200 tons top tarped old crop Fair alfalfa hay \$150, short haul to local feedlot. **Export: Old Crop:** In South Central ID, 600 top wrapped Good export alfalfa hay \$160 fob stack, fast move & pay.

In the Washington-Oregon Columbia Basin, limited sales reported on new crop dairy alfalfa hay and not a real good comparison on a few sales of export alfalfa hay, undertone firm. Trading slow. Rain has disrupted normal production and marketing of new crop first cutting alfalfa hay in the Basin. After a very slow start, swathers were in the fields this week and while some growers stopped cutting alfalfa hay Wednesday because of threat of rain Friday and the weekend, the bigger growers charged ahead because they have a lot of hay to cut. It appeared that with the late start and not a lot of top quality new crop alfalfa hay available that a few exporters were trying to secure the small amount of higher quality alfalfa hay for overseas customers. All sales on big bales unless specified otherwise, prices fob wrapped stacks unless specified otherwise. **Dairy: New Crop:** 200 tons Good alfalfa hay rained on and little higher moisture \$170 fob stack. **Export: New Crop:** 2,200 tons Premium to Supreme alfalfa hay \$223 to \$230 fob wrapped stacks in the Southern Basin, money paid up front, start moving in mid-June, 1,227 tons \$251 delivered to press; 170 tons Good cuber alfalfa hay a little higher in moisture \$180. In Yakima Valley, 250 tons Premium export alfalfa hay \$125 fob windrow, sold before rain and fast pay. **Export: New Crop Contract:** In the Basin, 4,200 tons Fair to Good alfalfa hay (135 RFV and higher) \$185 wrapped and Fair alfalfa hay below 135 RFV \$175 wrapped, scheduled payments, must be exportable. 2,400 tons alfalfa hay and a little timothy hay to be priced when it goes in the stack, scheduled payments to grower.

In Utah, hay trading very slow. One small new crop alfalfa hay export contract in Southern Utah finalized a couple of weeks ago. Rain has delayed the start of first cutting alfalfa hay in Central and Southern Utah but with below normal temperatures some growers say the hay is not overgrown while others say they need to start if they can sometime next week. One grower in Southern Utah said new crop alfalfa stands looked better a month ago. A little interest from export buyers for alfalfa hay to go to China but California dairy hay buyers have shown no interest the past month in contracting hay. All sales on big bales. **Dairy/Beef:** In Central UT, 300 tons Premium alfalfa hay \$200 fob barn, short haul to beef ranch. 120 tons Premium 3 way grain hay big bales \$150 fob barn, to local dairy. **Export: New Crop Contract:** In Southern UT, 800 tons Premium to Supreme alfalfa hay (175 RFV and higher) \$220 fob barn, move by August 1, must be baled with steamer, no rain and maximum 14.5% moisture, 30% paid up front, must be non-GMO.

**Milk Prices –** The April Federal Milk Market Order (FMMO) milk price for California for April is in the table on page 1. The blended price for Tulare was \$15.54 (\$15.92 before the \$0.38 cent cwt. deduction for quota assessment). The price for March was \$15.15 and indications are that the May price will be higher again.

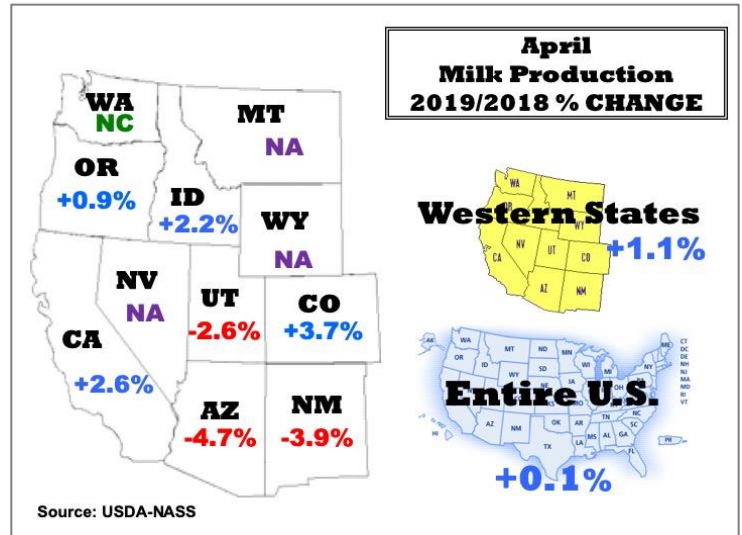
**Quota Petition in California –** The California Dept. of Food and Agriculture (CDFA) received a petition to terminate the Quota Implementation Plan (QIP). CDFA found that the 25% signature threshold had not been met. While the petition will not be referred to the Producer Review Board, there is no restriction on when another petition can be submitted.

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**Milk Production in the West Outpacing the Entire U.S.-** Milk Production of the eight major dairy states in the West

totaled 7.279 billion pounds, up 1.1% over the same month last year. This compared to 0.1% for the entire U.S. and up 0.3% in the 23 major dairy States. Analyst's called the report neutral to bullish for milk prices. The small increase in milk production came from growth in production per cow.as the U.S dairy herd continues to decline. The U.S herd is down 90,000 cows from last year with cow numbers dropping 28,000 head from January through April 2019. Per cow production was up 21 pounds nationally and up 19 pounds in the 23 major dairy states. In the West, the dairy herd was down 12,000 head compared to a year ago but there were wide swings in numbers with Arizona down 10,000, CA down 7,000 and New Mexico down 12,000 head while Idaho was up 10,000, Colorado up 9,000 head and Washington was up 1,000 cows from last year. Production per cow in the west was up 29 pounds in April. California posted a 2.6% increase in milk production and a strong 60 pound per cow increase over last year. CA had the highest year-over-year increase in production per cow of any State. Production per cow in Idaho in April was up 10 pounds and in Washington down 10 pounds. Arizona and New Mexico saw no change. In other states, Pennsylvania was down 29,000 cows from a year ago and a 7.1% drop in milk production while Texas was up 29,000 cows and up 6.7% in milk production.



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**Water in the West-** The Bureau of Reclamation announced Wednesday that California's Central Valley Project South-of-Delta (CVP) agricultural water allocation would increase to 70% and municipal and industrial contractors' allocation would increase to 95%. Other CVP contactors' allocation were already increased to 100%. The Bureau cited the recent rain and mountain snow on top of already above average snowpack as the reason for the increase. You have to wonder why agricultural water users are the only ones not getting a full water allotment? Members of the Colorado River Drought Contingency plan met at the Hoover Dam and signed the deal this week. Water users are optimistic that the above average snowfall this winter/spring will hold off any water cuts this year but more wet years will be needed to make up for years of drought. The Imperial Irrigation District's legal challenge to the plan is ongoing. USDA's Drought Monitor map showed the percentage of land in the West experiencing any drought is at the 5<sup>th</sup> lowest since the monitor began in 2000.

**Dairy Product Prices** - The Global Dairy Trade (GDT) auction in New Zealand this week saw the all price index down 1.2%, the first decline this year. The good news, cheddar cheese prices at the auction jumped up 15.2% to the highest price level in over 4 years. Not all news on cheese was positive as the expectation that orders from Mexico for U.S. cheese would increase after retaliatory tariffs were dropped has not yet materialized. Cheese prices on the CME this week were mixed with blocks up 1 cent from a week ago at \$1.6825 but barrels were down 4.5 cents at \$1.5800. Nonfat dry milk prices on the CME were unchanged from last week with Friday's price at \$1.0450. Butter was up 4.75 cents to close at \$2.3875 per pound as butter stocks are tightening. Dry Whey closed at \$0.3600, up 2 cents. Class III milk futures on Friday closed 14 to 28 cents lower than a week ago with June to December prices ranging from \$16.31 to \$17.04 cwt.

**Dairy Cattle Prices** – At the Overland Stock Yard in Hanford, CA this week Holstein Springer heifers sold steady at \$1,200 to \$1,600 per head. Slaughter cows at Central California auctions sold mostly steady with Breaking and better Boning Utility dairy cows trading from \$65 to \$74 cwt. Day old Holstein bull calves in Central CA were \$30 fob the dairy.

**Corn Prices Soaring – Soybean Prices Like a Roller Coaster** - Weather continues to delay corn and soybean planting in the Midwest which pushed corn prices higher for eight consecutive days through Wednesday of this week and a very strong close on Friday. Corn prices on the CME are up 52.5 cents a bushel since May 10. On Friday, CME July corn closed at \$4.0425 and December \$4.1975 per bushel, highest prices in over a year. Soybean prices on the CME the past two weeks were pulled higher from the slow planting in the Midwest and then pushed lower under the weight of Chinese tariffs. Prices were higher 4 of the 5 days this week with July soybeans closing Friday at \$8.2925 per bushel and November at \$8.5550. 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