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**This week's Market Overview**  
 In Central California alfalfa hay trading moderate to active with prices steady with a week ago. **(Sales in narrative of report fob stack for current move unless specified otherwise, dollars per short ton)**

Trading started in the southern Sacramento Valley and Delta this week with reports of qualities being mixed. With rain delays in the northern valley test results in the area were not as good as hoped. Trading slowed in Kern county as many growers were between cuttings. Prices on wheat for silage in Kings and Tulare counties steady.

In Kern County, **Dairy:** 250 tons Premium alfalfa hay mostly small bales \$245 fob stack; 1,170 tons Good to low Premium alfalfa hay small and big bales \$220 to \$230. 800 tons Good oat hay with weeds or off color \$120 fob stack.

In Tulare, Kings and Fresno Counties, **Dairy:** 250 tons Supreme alfalfa hay big bales \$250 to \$260 fob stack, \$260 with short haul; 2,050 tons Premium alfalfa hay \$235 to \$245; 1,380 tons Good alfalfa hay \$220 to \$230, 525 tons showered on \$210. 1,050 tons Premium beardless wheat hay big bales \$150 to \$153, mostly \$150 fob stack. 170,000 tons wheat for silage \$40 standing, based on 68% moisture. **New Crop Contracts:** 7,500 tons big bale wheat straw \$130 to \$135 delivered to dairies when harvested in June, the \$130

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.	\$16.58	\$16.39	\$15.56
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.	\$1.6750	\$1.6850	\$1.6650
Barrel Cheese	\$/Lbs.	\$1.6625	\$1.6300	\$1.6000
All Hay Exports From West Coast Ports (U.S. Census Bureau) Jan - Feb 2019				
California Ports	Metric	311,065		302,736
Washington Ports	Tons	273,693		280,263
Rolled Corn Dlvd to Magic Valley ID Dairies	\$/Ton	\$189	\$187	N/A
Rolled Corn Dlvd to Central CA Dairies	\$/Ton	\$195	\$191	\$203
No. 2 Yellow Corn – FOB Iowa (USDA)	\$/Ton	\$123-\$132	\$119-\$127	\$130-\$140
Ethanol Price – FOB Iowa (USDA)	\$/Gal	\$1.16-\$1.33	\$1.16-\$1.40	\$1.35-\$1.45
Crude Oil – New York Futures (June 2019)	\$/Barrel	\$61.94	\$63.30	\$69.72
Alfalfa Hay Prices – (The Hoyt Report)				
California – Dlvd to Tulare/Hanford Dairies				
	Tons			
Supreme	1,425	\$/Ton \$275-\$290	\$270-\$290	\$285-\$305
Premium	3,150	\$/Ton \$265-\$278	\$260-\$280	\$280-\$290
Good	700	\$/Ton \$250-\$255	\$245-\$255	\$255-\$265
Fair	450	\$/Ton \$225-\$230	\$220-\$230	\$230-\$240
Dlvd Escalon, Modesto, Turlock Dairies				
Supreme	1,570	\$/Ton \$270-\$290	\$270-\$295	\$285-\$295
Premium	1,130	\$/Ton \$250-\$265	\$265-\$275	\$270-\$285
Good	450	\$/Ton \$240-\$250	\$245-\$250	\$250-\$260
Fair (grassy \$200-\$205)	125	\$/Ton \$215	\$210-\$225	\$220-\$230
Idaho – Alfalfa Hay Big Bales, FOB Stack				
Supreme (Eastern ID)	1,800	\$/Ton \$165	No Sales	No Sales
Premium		\$/Ton No Sales	No Sales	\$145
Good		\$/Ton No Sales	No Sales	No Sales
Fair (Eastern ID)	200	\$/Ton \$150	\$150	\$105
WA/OR (C. Basin) Alfalfa, FOB				
Good/Premium big bale (Dairy)	400	\$/Ton \$200	No Sales	No Sales
Premium big bale (Export)		\$/Ton No Sales	No Sales	No Sales
Good big bale (Dairy)		\$/Ton No Sales	\$205	No Sales
Fair/Good (Feedlot/Dairy)	350	\$/Ton \$195	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

straw with shorter haul. 1,600 tons double cut rice straw \$95 delivered to dairies in September from Sacramento valley.

In Los Banos-Dos Palos and Merced, **Dairy:** 1,070 tons Supreme alfalfa hay \$250 to \$260 fob stack, mostly \$255; 1,850 tons Premium alfalfa hay \$235 to \$245; 375 tons Good alfalfa hay \$220; 125 tons Fair alfalfa hay \$195; 125 tons Low quality weedy alfalfa hay \$120 fob stack. 1,500 tons premium big bale beardless wheat hay \$150 fob stack, 250 tons longer haul \$140; 200 tons Good wheat hay with off color \$125.

In the Imperial Valley, moderate to good demand on dairy and export alfalfa hay. Export alfalfa hay prices steady as contacts report quality tests are dropping. Dairy alfalfa hay prices steady with a few high-test Supreme sales this week. Trading on kleingrass for export picked up this week with prices steady to firm. Bermuda hay for export prices steady. Retail alfalfa hay prices steady and retail bermuda hay steady to firm. Temperatures are forecast to cool down next week into the mid 80's. **Dairy:** 475 tons high test Supreme alfalfa hay \$225 to \$230 fob stack; 1,300 tons Premium/Supreme alfalfa hay big and small bales \$220; 1,075 tons Premium alfalfa hay big and small bales \$210 to \$215, 1,220 tons with weeds \$200 to \$205; 750 tons old and new crop Good alfalfa hay mostly big bales \$195 to \$200, 350 tons very weedy \$170 to \$175; 100 tons Low quality alfalfa hay with heavy grass and weeds \$85. **Export:** 450 tons Supreme alfalfa hay big bales \$232 to \$235 fob stack; 14,320 tons Premium/Supreme alfalfa hay big bales \$220 to \$230, mostly \$230, 1,235 tons big and small bales \$210 to \$220. 520 tons Premium bermuda hay big bales \$165 to \$175, 150 tons small bales \$182; 300 tons Good bermuda hay big bales \$150 fob stack. 2,650 tons Premium kleingrass hay big and small bales \$180 to \$187 fob stack; 250 tons Good kleingrass with oats \$150. **Retail/Stable: (Mostly New Crop)** 250 tons Premium retail alfalfa \$250 to \$260, mostly \$250 fob stack; 280 tons Premium stable alfalfa hay \$230 to \$235. 225 tons Premium retail bermuda hay \$220 to \$230 fob stack, 75 tons old crop \$205; 350 tons tarped Good to low Premium retail bermuda hay \$205 to \$215; load Premium stable bermuda \$210 fob stack; 85 tons tarped old crop Good stable bermuda hay \$180.

In Blythe, dairy and export alfalfa hay prices steady. Retail alfalfa hay prices steady. **Dairy:** 1,900 tons Supreme alfalfa hay \$220 to \$225, mostly \$220; 1,575 tons Premium alfalfa hay \$215 fob stack; 1,080 tons Good to Premium alfalfa hay \$195 to \$205, 550 tons rain damaged \$185. **Export:** 825 tons Premium/Supreme alfalfa hay mostly big bales \$220 fob stack. **Retail/Stable: Old Crop:** 300 tons Premium retail alfalfa hay \$260 to \$265 fob barn; 125 tons Good retail alfalfa hay \$240; 250 tons Premium stable alfalfa hay \$215 fob barn. **New Crop:** 450 tons Premium retail alfalfa hay \$245 to \$250 fob stack, 175 tons baled dry \$240. 75 tons new crop Premium stable alfalfa hay \$225 fob stack.

In Tracy-Patterson, Modesto Stockton, and Lodi, trading on new crop picked up this week. Dairy alfalfa hay prices steady compared to last week. **Dairy: New Crop:** 325 tons Supreme alfalfa hay \$240 to \$250 fob stack; 1,200 tons Premium alfalfa hay \$225 to \$235; 150 tons Good alfalfa hay \$220, 100 tons higher moisture \$200 fob stack; 450 tons Fair alfalfa hay \$180, 75 tons with weeds and higher moisture \$160. 700 tons Good oat hay big bales, off color with some weeds \$120. **Retail: Old Crop:** 225 tons Premium retail alfalfa hay \$250 fob barn; 75 tons Good retail alfalfa hay \$215. Load Premium retail orchardgrass \$260, 50 tons high Premium orchardgrass \$340 fob barn. Load Premium beardless wheat hay \$180. **Retail: New Crop:** 100 tons Premium retail alfalfa hay \$215 fob stack. 630 tons Good to Premium retail orchardgrass with a little alfalfa hay \$200 fob stack.

In the Sacramento Valley and Delta, trading started on new crop alfalfa hay this week. Limited comparison with last year as putting up higher quality alfalfa hay has been a challenge but where there was a comparison prices steady to \$5 lower. Contacts report production is picking up with more hay going in the stack. **Dairy: New Crop Organic:** 150 tons Premium beardless wheat hay \$160 fob stack. **Dairy: New Crop Conventional:** 550 tons Supreme alfalfa hay \$240 fob stack; 175 tons Premium alfalfa \$225 to \$230, 495 tons with a little grass or tested better than it looked \$200 to \$215; 1,300 tons Good alfalfa hay with grass or with regrowth \$180 to \$195 fob stack; 300 tons Fair alfalfa hay \$170. 100 tons high Premium oat hay small bales \$170 fob stack. **Retail: Old Crop:** 275 tons Premium retail alfalfa hay \$240 to \$260 fob barn. **Retail New Crop:** 250 tons high 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, good to moderate demand from dairy and export buyers. Prices steady compared to last week. Demand remains good for retail alfalfa hay with prices steady. Scattered showers moved through the area at the beginning of the week, but the lite rain caused minimal damage. **Dairy:** In Southwest AZ, 750 tons Premium alfalfa hay \$210 fob stack, going to local dairy; 300 tons high Good alfalfa hay \$200 fob stack. In Parker/Poston, 1,410 tons Supreme alfalfa hay \$220 to \$225 fob stack; 700 tons Premium alfalfa hay \$210, 350 tons with some weeds \$200; 450 tons Good alfalfa hay small bales with weeds \$175 fob stack. **Export:** In Central AZ, 1,200 tons Premium/Supreme alfalfa hay big bales \$215 fob stack. In Southwest AZ, 3,000 tons Supreme alfalfa hay big bales \$230 fob stack; 1,500 tons Premium alfalfa hay big

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bales \$210. **Export: Summer Contract:** In Southwest AZ, 2,500 tons June cutting Good to Premium alfalfa hay big bales \$210 fob stack with 25% down. **Retail:** In Parker/Poston 150 tons Premium retail alfalfa hay \$240 to \$245. In Central AZ, 250 tons high Premium retail alfalfa hay \$285 fob barn; 450 tons Premium retail alfalfa hay \$260 to \$265 fob barn, 570 tons \$235 fob outside stack; 780 tons Good (#2) retail alfalfa hay \$215 to \$220 fob outside stack.

In Nevada, alfalfa hay trading at a near standstill with limited sales reported. Supplies of alfalfa hay available to trade are limited. A few grower contacts reported working on export contracts, but nothing finalized. **Dairy:** In Western NV, 275 tons tarped Premium alfalfa \$195 fob stack; one load outside Fair alfalfa hay \$150, little grass.

In Idaho, moderate demand for dairy alfalfa hay with poor comparison with last week to test trend, undertone steady. Light to moderate demand on new crop export alfalfa hay contracts with buyers not as aggressive as past month, one contract steady. The slow-down in new crop export alfalfa hay contracting comes after two months of active contracting where volume totaled 135,000 tons, much of it in Eastern Idaho. Few growers in Southern and Southwest Idaho say they will start cutting new crop alfalfa hay next week. Temperatures dipped to a low of 20 degrees in Eastern Idaho which could delay start of first cutting for a few growers. All sales on big bales with dairy hay going to Magic Valley dairies unless specified otherwise. **Dairy:** In Eastern ID, 1,800 tons tarped or straw covered high Premium to Supreme alfalfa hay \$165 fob stack, current move; 200 tons tarped Fair alfalfa hay with some faults \$150. In Southeast ID, Load Premium alfalfa in barn or tarped \$170, going to the Midwest. **Dairy: New Crop Contract:** In Eastern ID, 3,500 tons alfalfa hay for the season with price based on test: 190 RFV & higher \$170 fob stack; 160 to 189 RFV \$165; below 160 RFV \$155; hay with light rain and a little bleach \$145; hay with heavier rain \$130, no high moisture or burnt bales, 80% paid for each cutting when it goes in stack, current to extended move, any tarping will be done by buyer. **Feedlot:** In Eastern ID, 750 tons big bale wheat straw \$40 fob stack, current move to Southern ID. In South Central ID, 650 tons big bale corn stalks, baled in spring, \$55 fob, going to feedlot for bedding. In Western ID, 80 tons Fair/Good alfalfa hay \$175 fob barn, to local feedlot. **Export: New Crop Contract:** In Eastern ID, 5,000 tons Fair to Good (clean & green) alfalfa hay big bales \$150, grower will wrap, 30% paid up front, no rained on or burnt bales, current to extended move.

In the Washington-Oregon Columbia Basin, not enough sales on dairy alfalfa hay last week to compare a trend. One new crop contract with not enough of a comparison with a year ago to fully test trend, undertone stronger. The difference of opinion between growers and export buyers on where the new crop hay market will be prompted a large amount of alfalfa and timothy hay being committed to export buyers with price to be established when hay goes in stack. A few growers in the Southern basin say they will start cutting first crop alfalfa hay next week. All sales on big bales unless specified otherwise, prices are fob wrapped stack unless specified otherwise. **Dairy:** 400 tons Good to Premium alfalfa hay \$200 fob wrapped stack; 350 tons Fair alfalfa hay \$195 fob, short haul, 100 tons with more faults \$160. **Export:** 250 tons tarped Good alfalfa hay \$200 delivered from Montana. 300 tons first cutting Premium dairy timothy hay 3x4 bales \$250 fob wrapped stack; 200 tons second cutting Premium timothy hay 3x4 bales \$175. **Export: New Crop Contracts:** 4,000 tons Fair to Good (clean & green) alfalfa hay big bales for the season \$177.50 fob stack, hay below 130 RFV and rained on hay \$160, buyer will wrap, around 15% paid up front. Approximately 93,500 tons of alfalfa and timothy hay for the season committed to export buyers over the last month with price to be established when hay goes in stack, 3,500 tons with 25% paid up front, about half the hay is on scheduled payments to growers and the balance of the hay will be paid for when it moves after it is put up. All hay must be exportable.

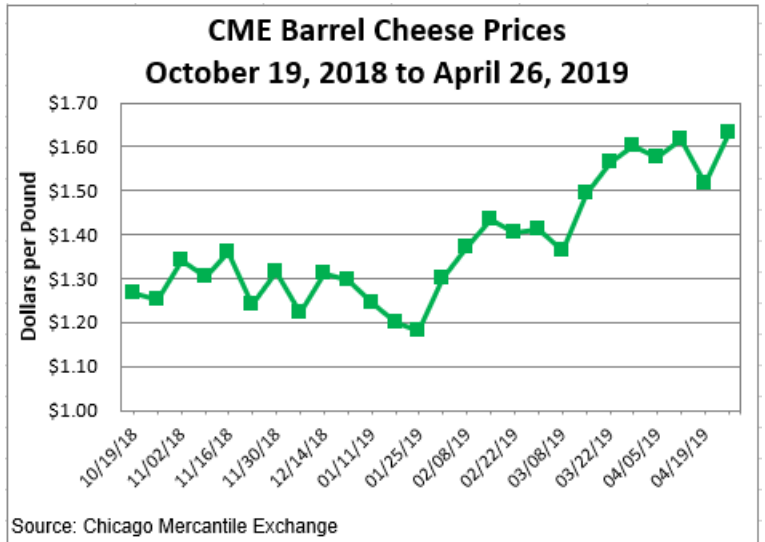
In Utah, old crop hay trading very quiet with only a few retail sales reported in Southern Utah. One new crop alfalfa hay contract for export in Southern Utah steady with a similar contract a year ago. Growers report a little interest from export buyers, but no other contracts reported. We are about 20 to 30 days from new crop alfalfa hay production in Central and southern Utah. All sales on big bales. **Export: New Crop Contract:** In Southern UT, 3,700 tons Premium export alfalfa hay (165 RFV and higher) \$205 fob growers barns, price re-negotiated on hay below 165 RFV and rained on hay, 50% paid for each cutting when it goes in stack, current to extended movement. **Retail: Old Crop:** In Southern UT, 100 tons Premium alfalfa hay \$220 fob barn; 50 tons Good retail alfalfa \$200. 50 tons Premium orchardgrass/alfalfa hay \$260 fob.

**By-Product Feeds and Corn Prices** – The first sale reported by Market News on new crop almond hulls was last week in Madera County CA at \$100 per ton, fob huller, with no new crop sales reported the same week last year. Old crop almond hulls delivered to Hanford-Tulare-Visalia, CA dairies this week were \$135 to \$140 per ton, up from \$120 to \$125 a year ago. Other by-product feeds in CA saw distillers dry grains delivered by rail to CA points at \$188 to \$212, compared to \$228 a year ago, according to Market News. Cottonseed meal fob the Central San Joaquin valley brought \$260 to \$295, compared to \$315 to \$340 last year. July corn prices on the CME were up 9 cents a bushel this week and closed Friday at \$3.7075 a bushel. Analysts said Midwest weather and concern about corn planting was driving the market higher. While planting in the 18 major corn States at 15% was the same as a year ago, it was down from the five year average of 27%. The concern is the forecast for above average precipitation in the Midwest the next two weeks.

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**CME Barrel Cheese Prices up 35% From Last Week of January** – Barrel cheese prices have been on the rise since the first of the year, gaining back the losses of last fall. The rally began the last week of January as extremely cold weather hit the Midwest and negatively impacted milk supplies and movement. Demand for U.S. cheese exports improved in February and helped sustain the rise. More winter weather followed in Washington state and the Midwest which again slowed milk movement. In the middle of February, USDA announced plans to purchase American-Style cheese for distribution to low-income families and as part of the Trade Mitigation Program. USDA reported in April they had purchased 24 million lbs. of cheese. According to the Dairy & Food Market Analyst, U.S. cheese exports began to firm up in March and continued through April. The U.S. milk production report showed a 0.4% decrease in production year-over-year in February, the first decline from the previous year in more than three years. This also helped to firm cheese prices. The price spread between block and barrel cheese on the CME has narrowed with this recent increase. The block price was 23 cents above the barrel price at the end of January and that has since narrowed to 1.25 cents.



**Dairy Product Prices – Cheese and Class III Milk Futures Bullish on Friday** - Barrel cheese on the CME Friday was up 3.25 cents to \$1.6625 after being unchanged at \$1.6300 the past six days. Block cheese closed the week at \$1.6750, down 1 cent from last week but up 2 cents on Friday. Class III milk futures May through October were up 20 to 27 cents cwt. on Friday, this comes after a big upturn on Thursday of last week. Class III prices for 2019 range from \$16.37 in May to \$17.21 in September. USDA’s March Dairy Products Report this week was interpreted as slightly bullish to bullish by FCStone, except the neutral call on Dry Whey. Overall U.S. dairy product production dropped in March. Nonfat dry milk production came in lower than expected with CME prices on Friday up 2.25 cents to \$10525 per pound. Butter prices on the CME were up a quarter of a cent while dry whey was up 2 cents to \$0.3475.

**Hay Exports** - U.S. Alfalfa hay exports to Japan for the first three months of 2019 were up 14% compared to the same period last year, according to Japanese port data. This increase was led by strong exports in January, with more modest increases in February and March. Australian oaten hay exports to Japan were up 2% in the first quarter compared to a year ago mainly due to an 18% increase in January. Oaten hay exports to Japan in February were down 7% and down 2.5% in March. Contacts in Australia indicate that oaten hay supplies are down from a year ago. U.S. exports of timothy hay from the PNW in the first three months of 2019 were up 32% compared to the same period last year. It appears the price cuts some exporters made to move timothy hay to Japan has increased movement but according to our contacts, not as much as was hoped. At the same time Canadian timothy hay exports in the first quarter were down 13% from last year. Exports of sudan and bermuda hay to Japan from mainly California were also up in the first quarter compared to a year ago, sudan up 10% and bermuda hay up 9%.

**Oil Prices** – Oil prices trended lower this week and according to the Wall Street Journal U.S. crude oil inventories are at the highest level since September 2017. These high supplies outweighed the concerns over the expiring U.S. sanction waivers against the purchase of Iranian oil. The waivers, which were granted to allow countries time to transition to other sources, expired Thursday night. At the urging of President Trump, Saudi Arabia has agreed to increase production to offset the loss of Iranian oil in the market. OPEC maintained production cuts in the first quarter of 2019 but they are set to expire in June and according to the Wall Street Journal, no deal to extend the cuts is in place.

**Dairy Cattle Prices** – At the Overland Stock Yard this week Holstein and Jersey Springer heifers sold steady at \$1,100 to \$1,450 per head. Slaughter cow prices at Turlock and Overland auctions were firm to \$4 higher with Breaking and better Boning Utility dairy cows trading from \$68 to \$80 cwt. Day old Holstein bull calves in Central California this week were selling from \$20 to \$30 per head, fob dairy. Best Regards, Seth and Josh

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