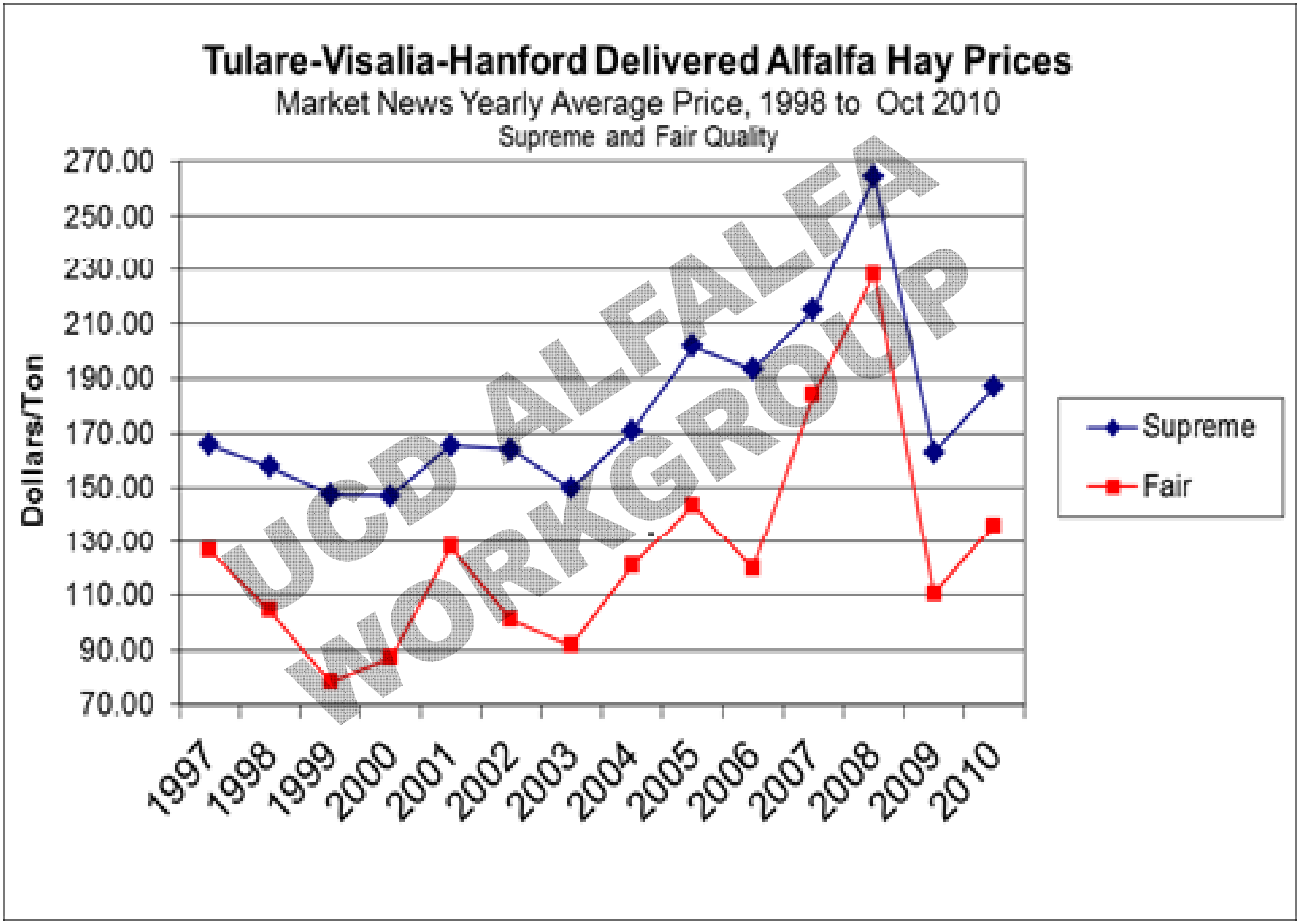
Alfalfa Market Production and Price Trends

Seth Hoyt, The Hoyt Report


Tulare-Visalia-Hanford Delivered Alfalfa Hay Prices
Market News Yearly Average Price, 1998 to Oct 2010
Supreme and Fair Quality
Dollars/Ton
270.00
250.00
230.00
210.00
190.00
170.00
150.00
130.00
110.00
90.00
70.00
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
Supreme
Fair
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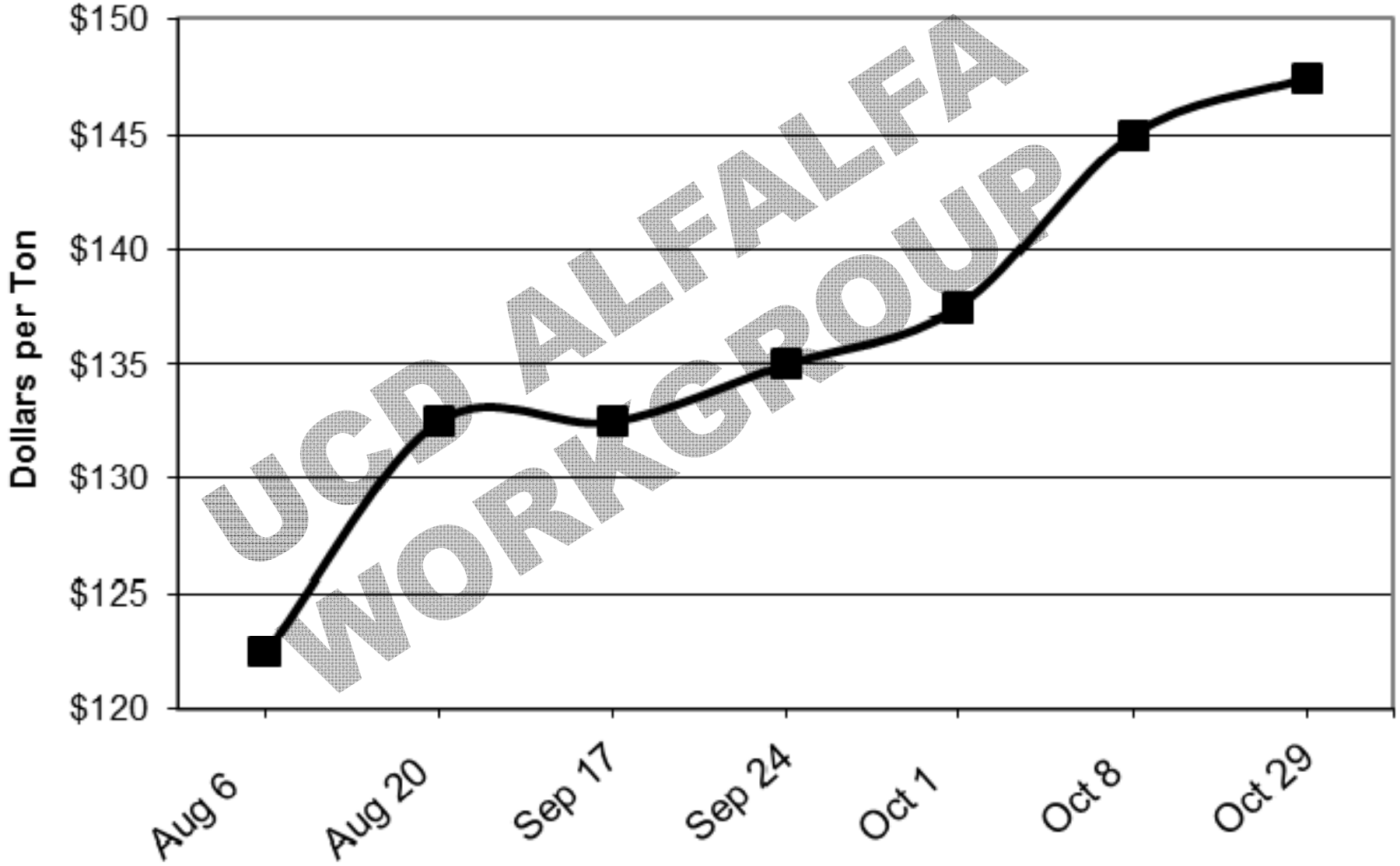
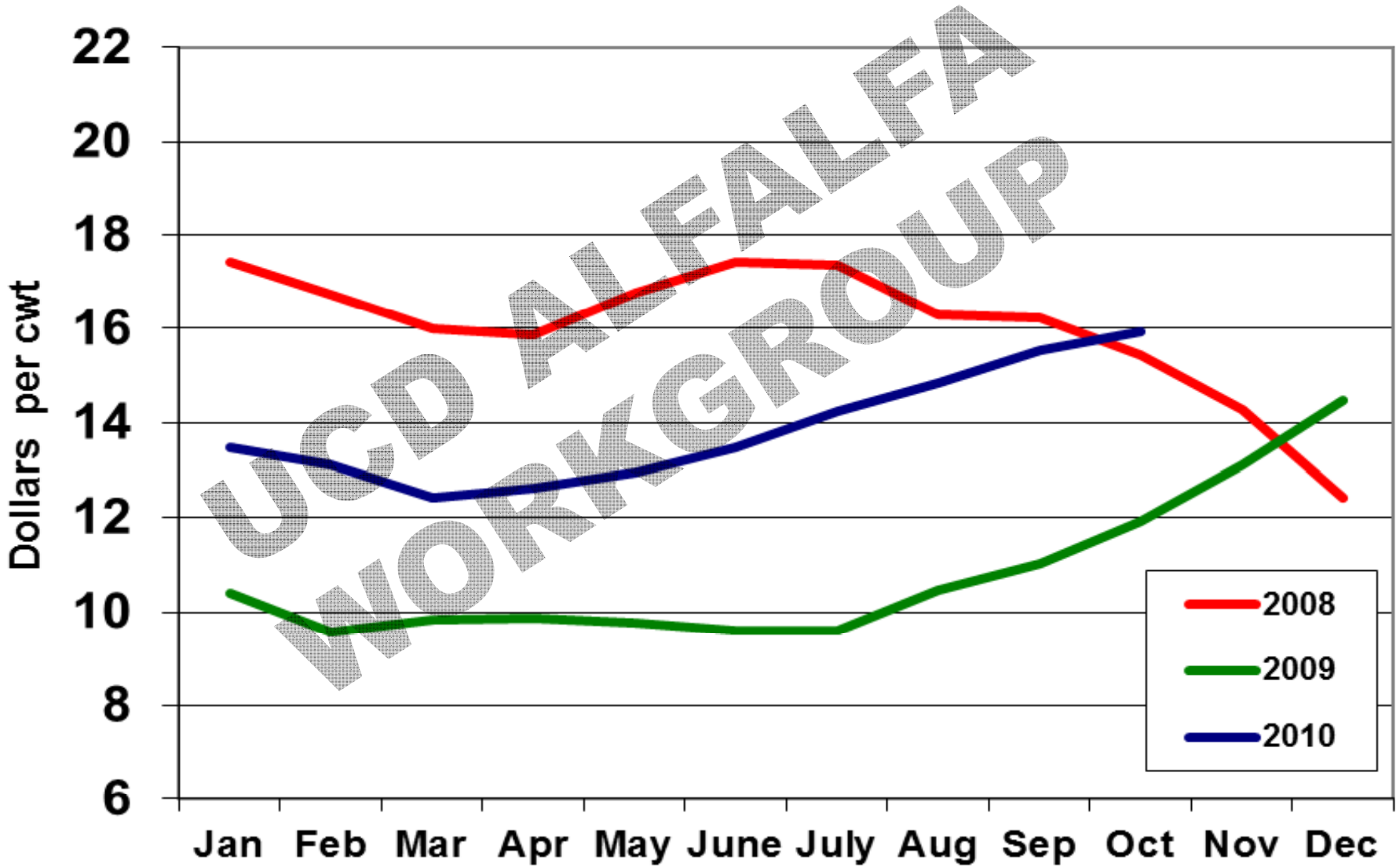
Kern County Good Qualilty Alfalfa Hay - Weekly FOB Prices
Aug 6, 2010 - Oct 29, 2010



Source: The Hoyt Report

California Milk Prices (2008-2010)

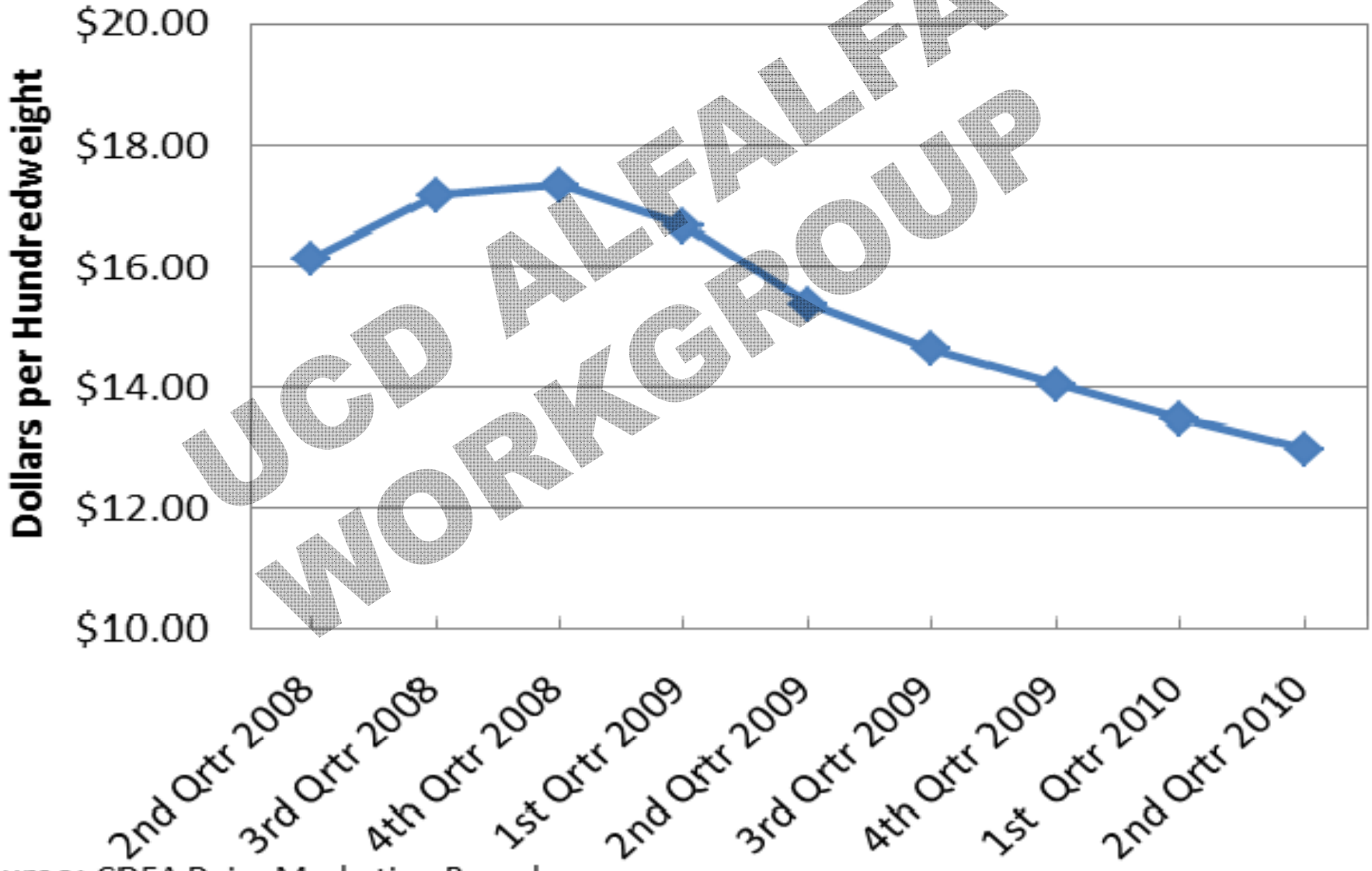
Milk Pooling - Statewide Overbase



Source: CDFA Milk Pooling Branch

Cost of Milk Production in California

2nd Quarter 2008 - 2nd Quarter 2010



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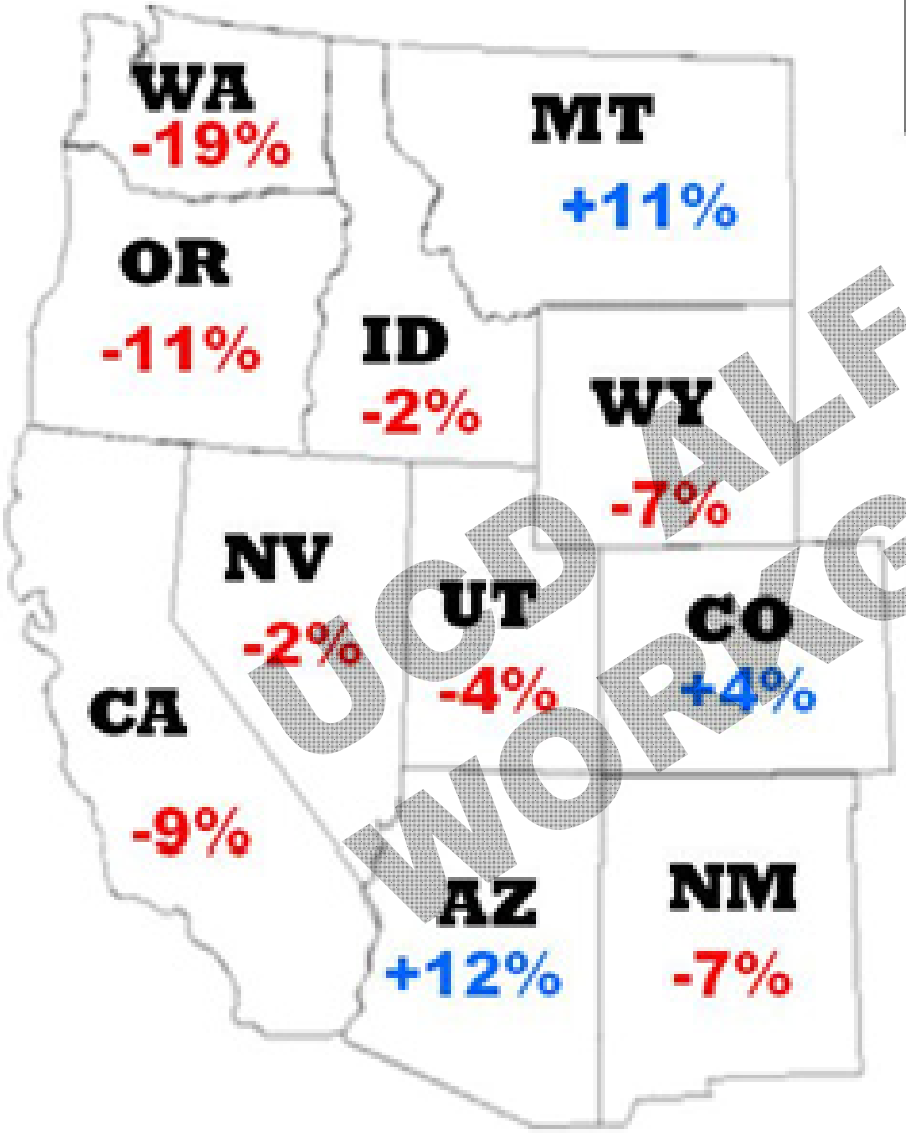
Source: CDFA Dairy Marketing Branch

Alfalfa Hay Production 2010/2009 % CHANGE



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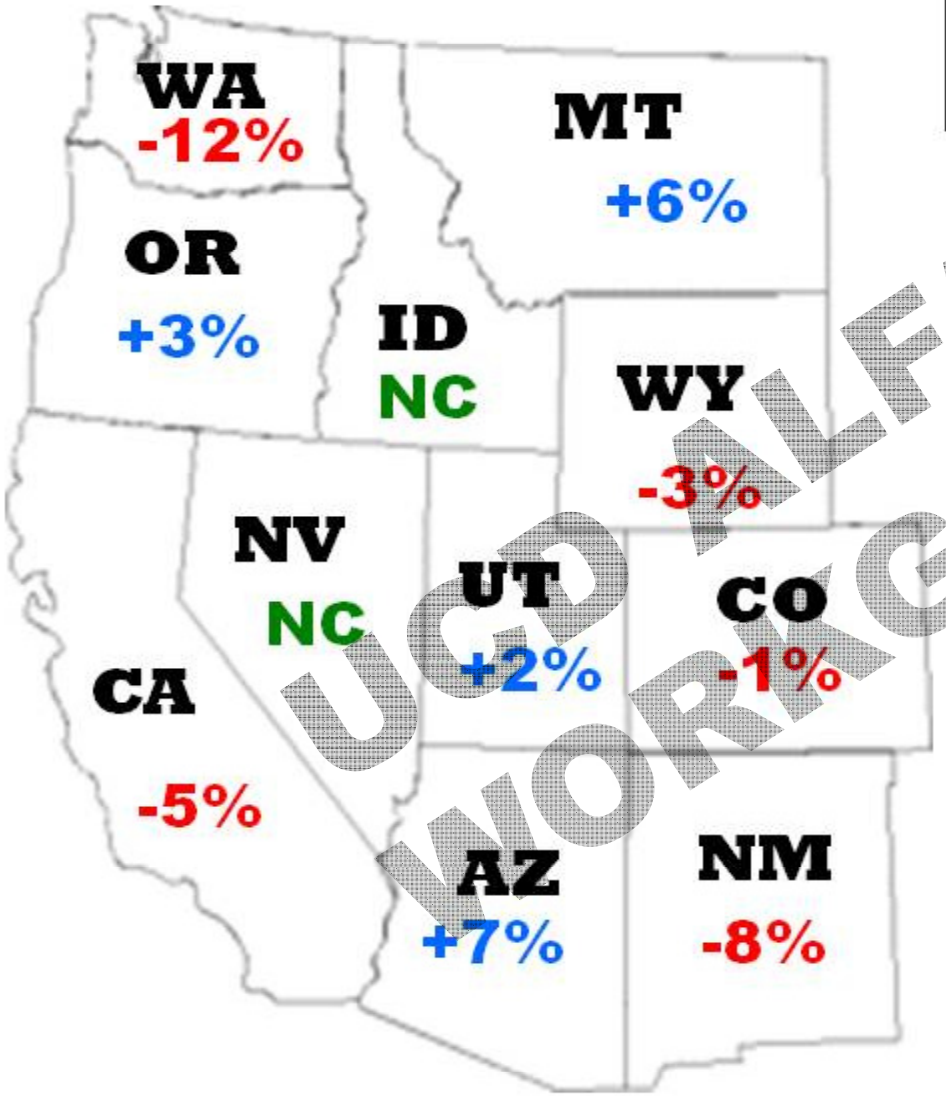
Western States

-3%

+0.4%

Source: USDA-NASS

Alfalfa Hay Acres
2010/2009 % CHANGE



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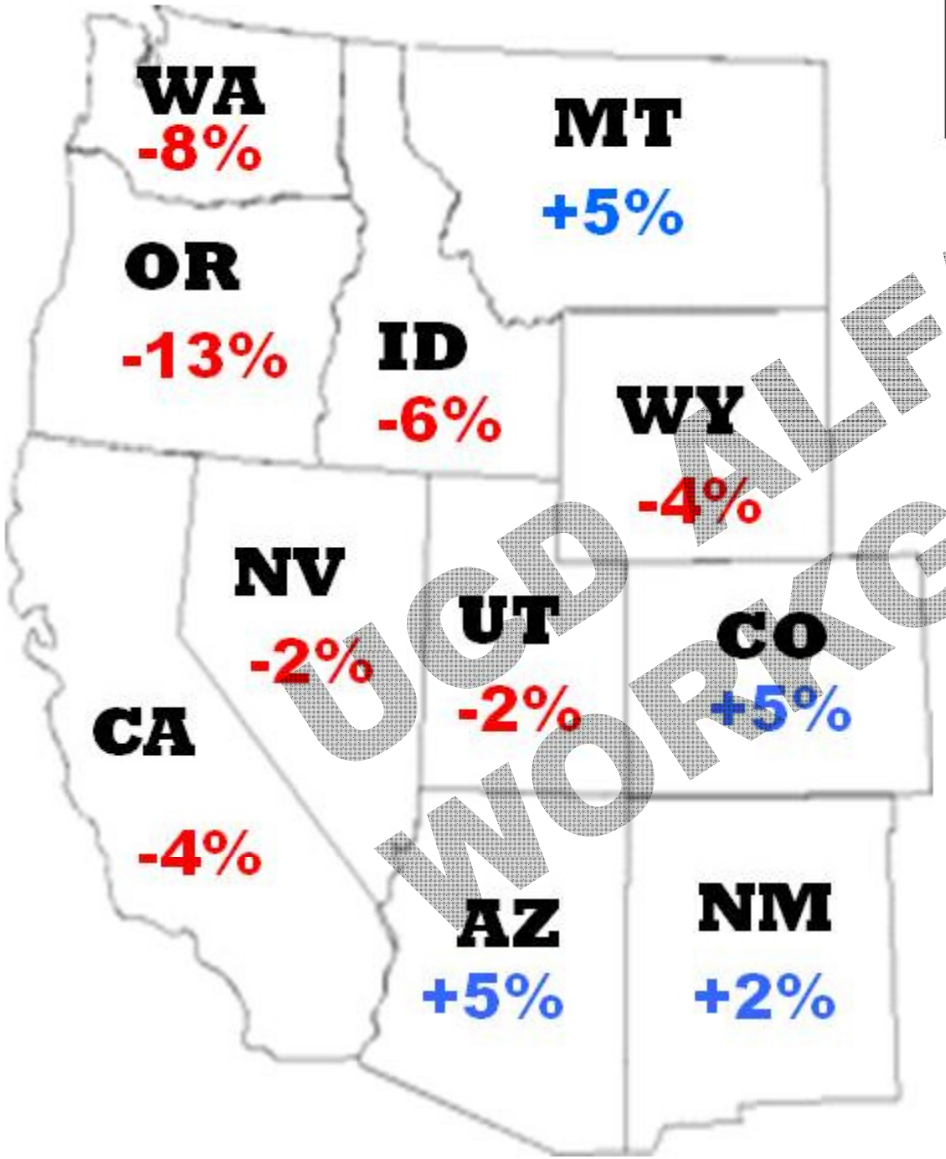
Western States
-0.3%

Entire U.S.
-2%

Source: USDA-NASS

Alfalfa Hay Yield
2010/2009 % CHANGE



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Western States

-2%

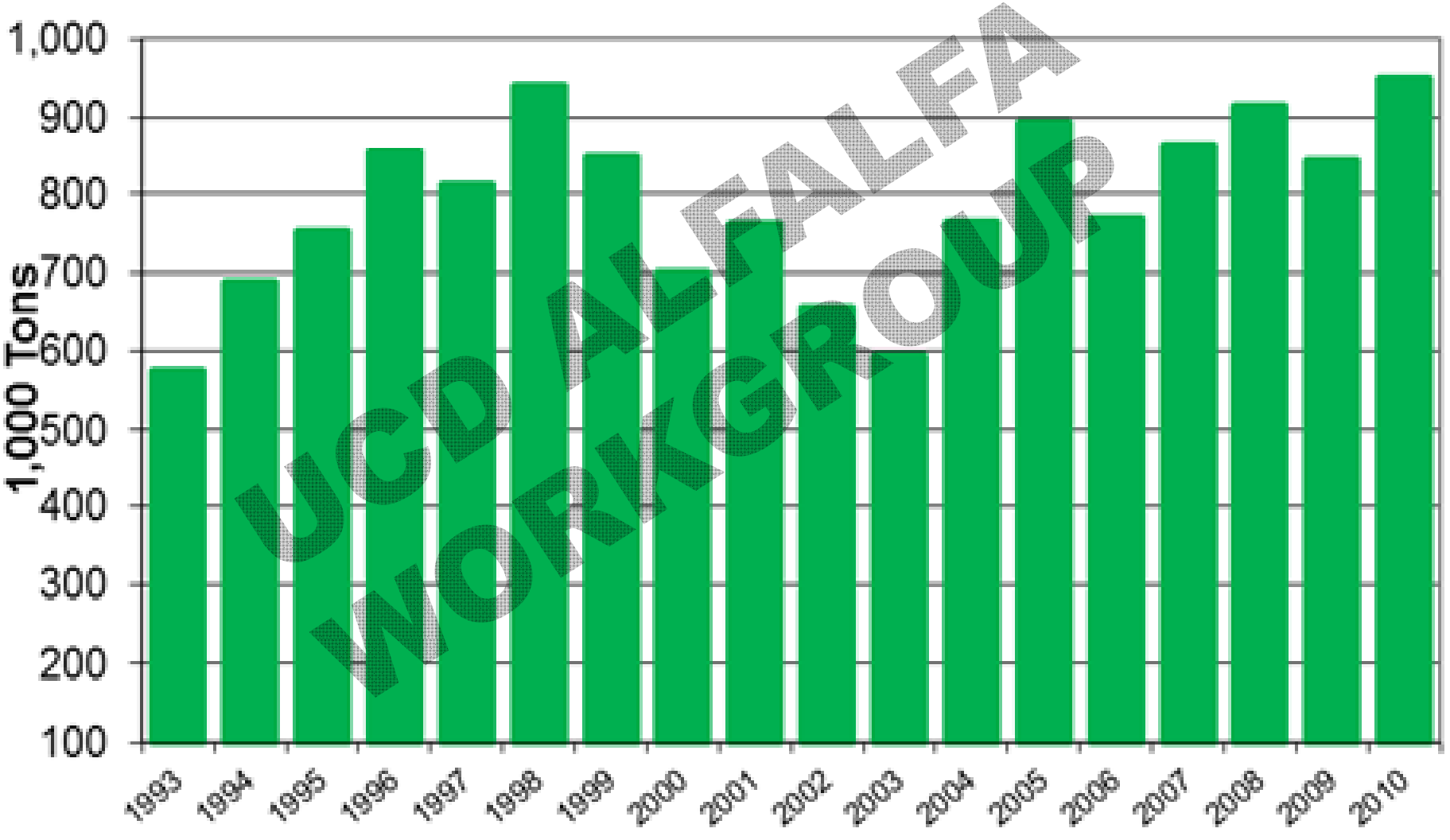
Entire U.S.

+3%

Source: USDA-NASS

Alfalfa Hay Trucked Into California

1993-2010



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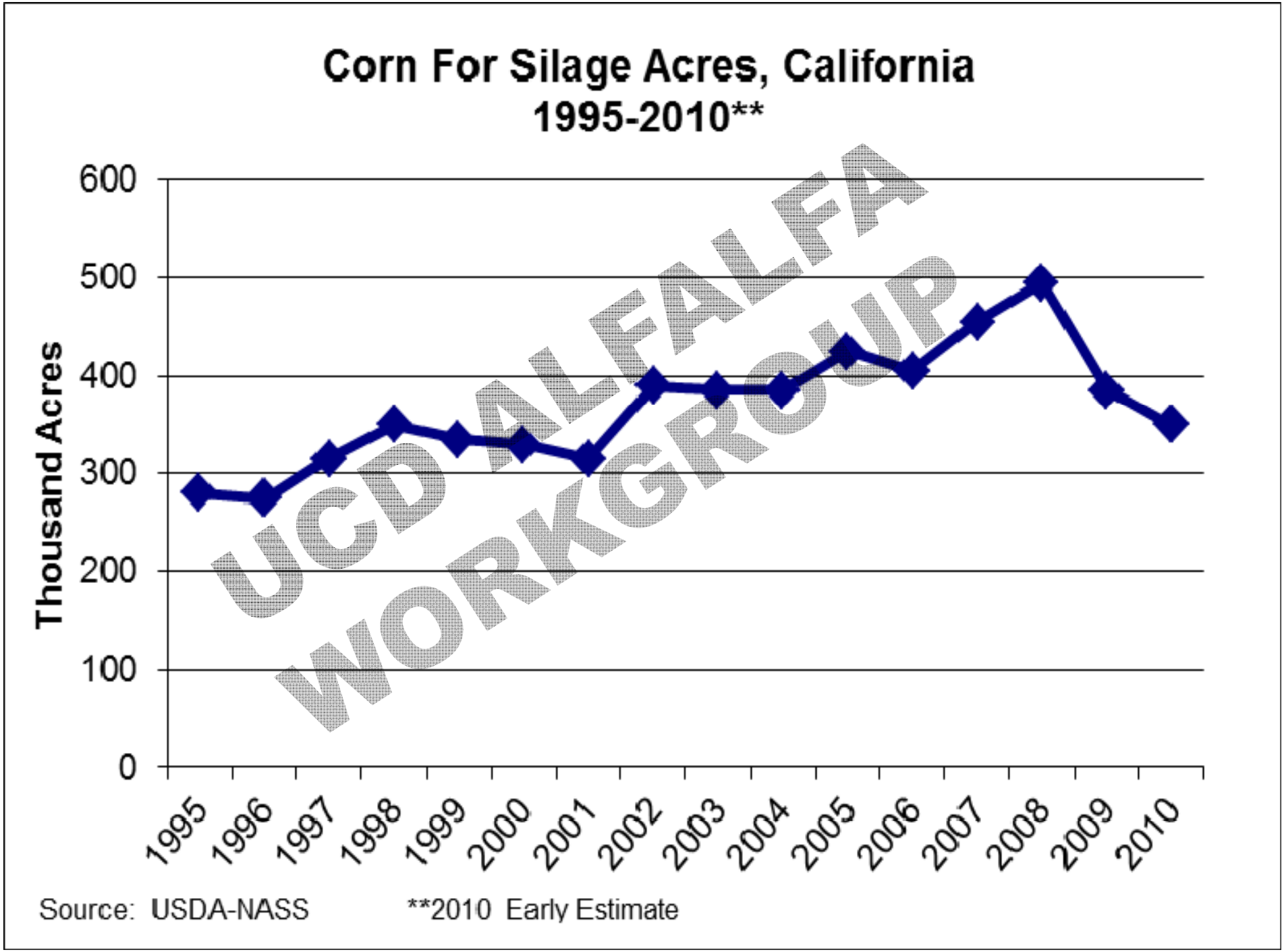
Source: CDFA Border Stations & USDA Livestock and Grain Market News 2010 - Estimated


Corn For Silage Acres, California
1995-2010**
Thousand Acres
600
500
400
300
200
100
0
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
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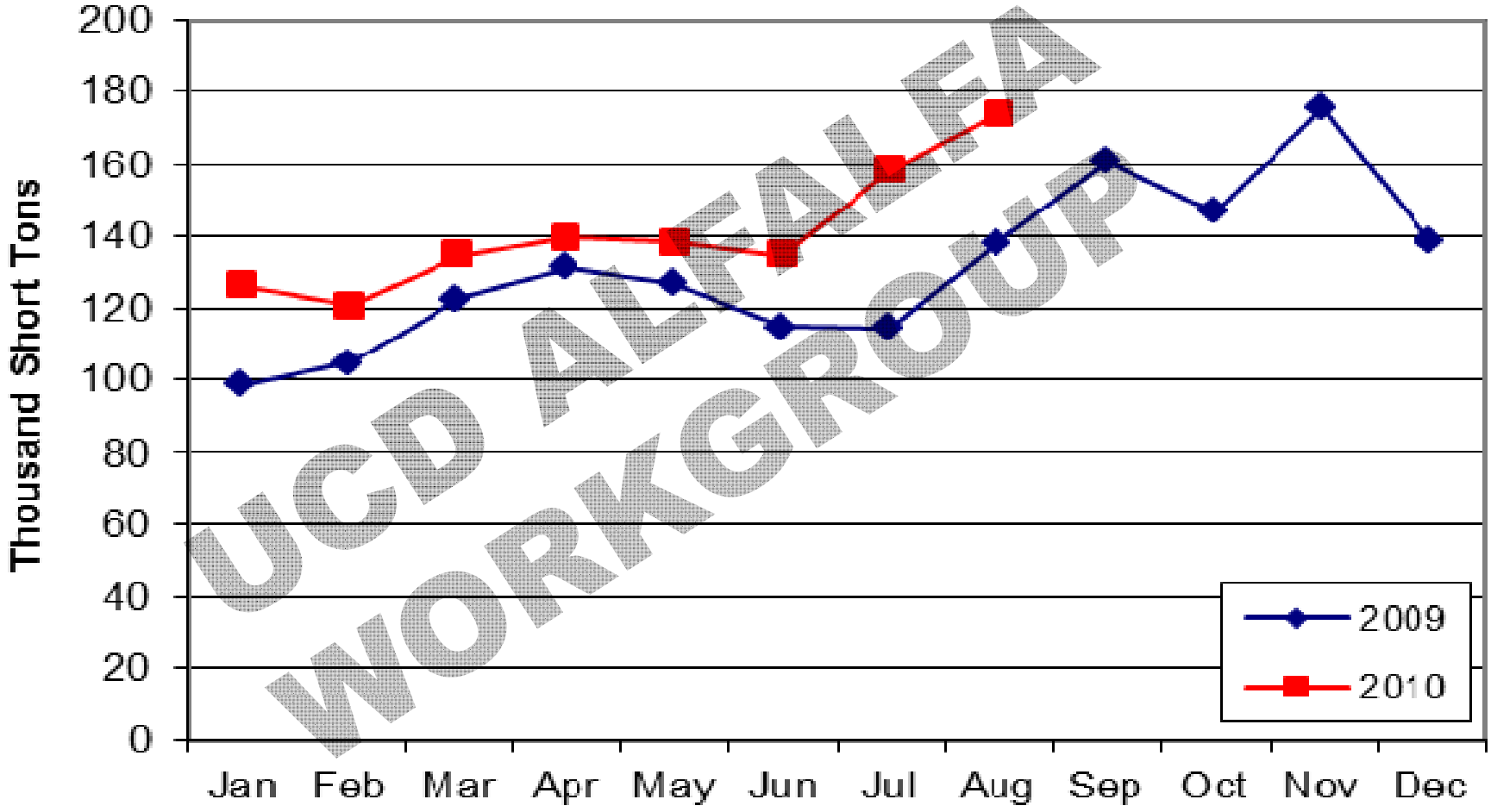
Source: USDA-NASS
**2010 Early Estimate

Baled Hay Exports from California Ports
Jan-Dec 2009 vs Jan-Aug 2010



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Source: U.S. Department of Commerce

CA Hay Balance Sheet – 2010

Hay Supplies (my estimates)

Carry-in to 2010	1,800,000 tons
Alfalfa/other hay prod	8,450,000 tons
Alfalfa hay inshipments	950,000 tons
Total Supplies -	11,200,000 tons

Hay Usage (my estimates)

Dairy cows	3,900,000 tons
Milk repl heifers +500 lbs.	900,000 tons
Milk repl heifers -500 lbs.	300,000 tons
Exports	1,350,000 tons
Horses	2,000,000 tons
Fed cattle	250,000 tons
Beef cows, background lots auction yards, Sheep, and others.	500,000 tons
Total Usage -	9,200,000 tons

Dec. 1, 2010 Hay Stocks - 2,000,000 tons (my est.)

Dec. 1, 2009 Hay Stocks - 2,400,000 tons (USDA)

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Outlook for 2011

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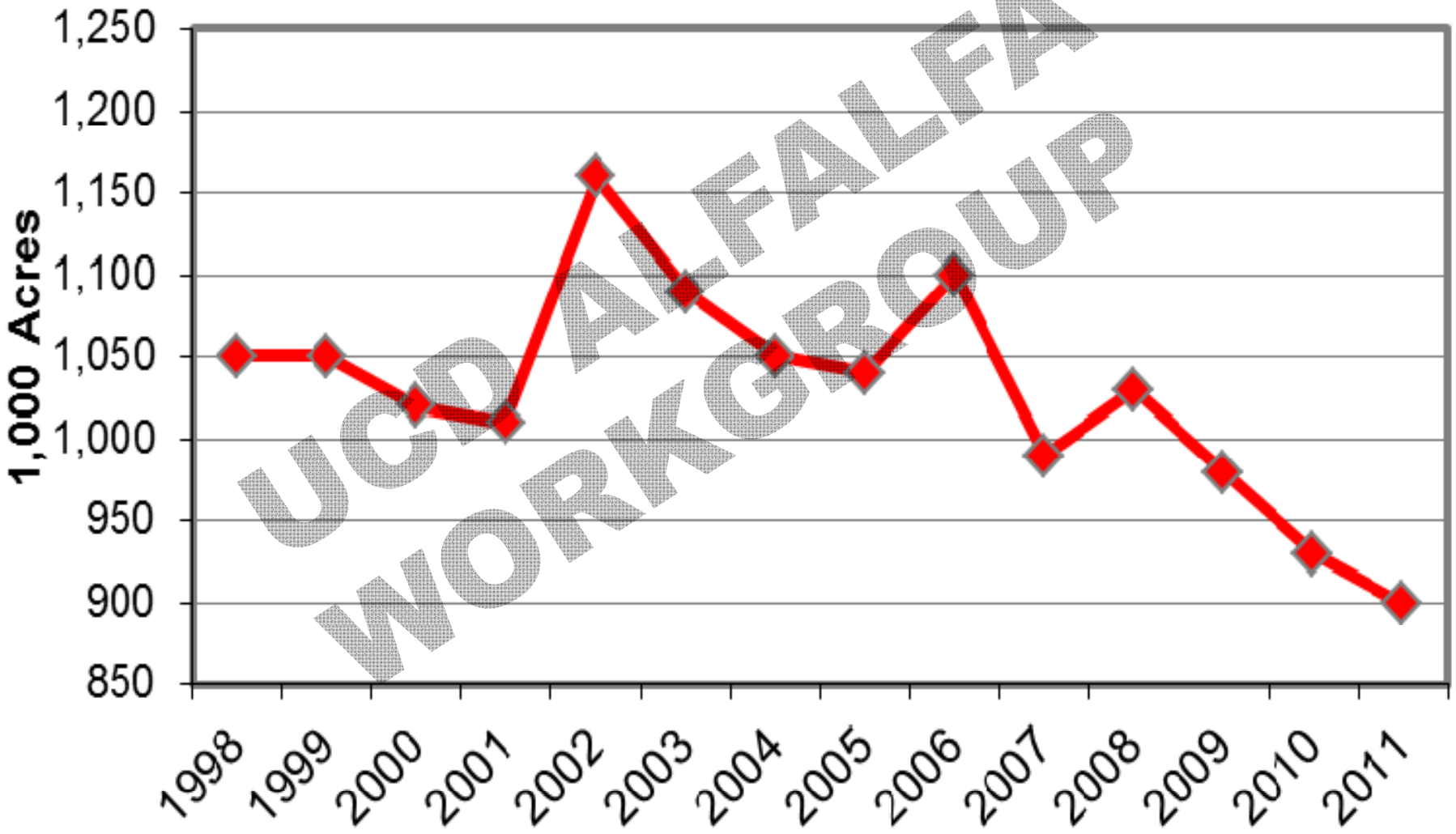
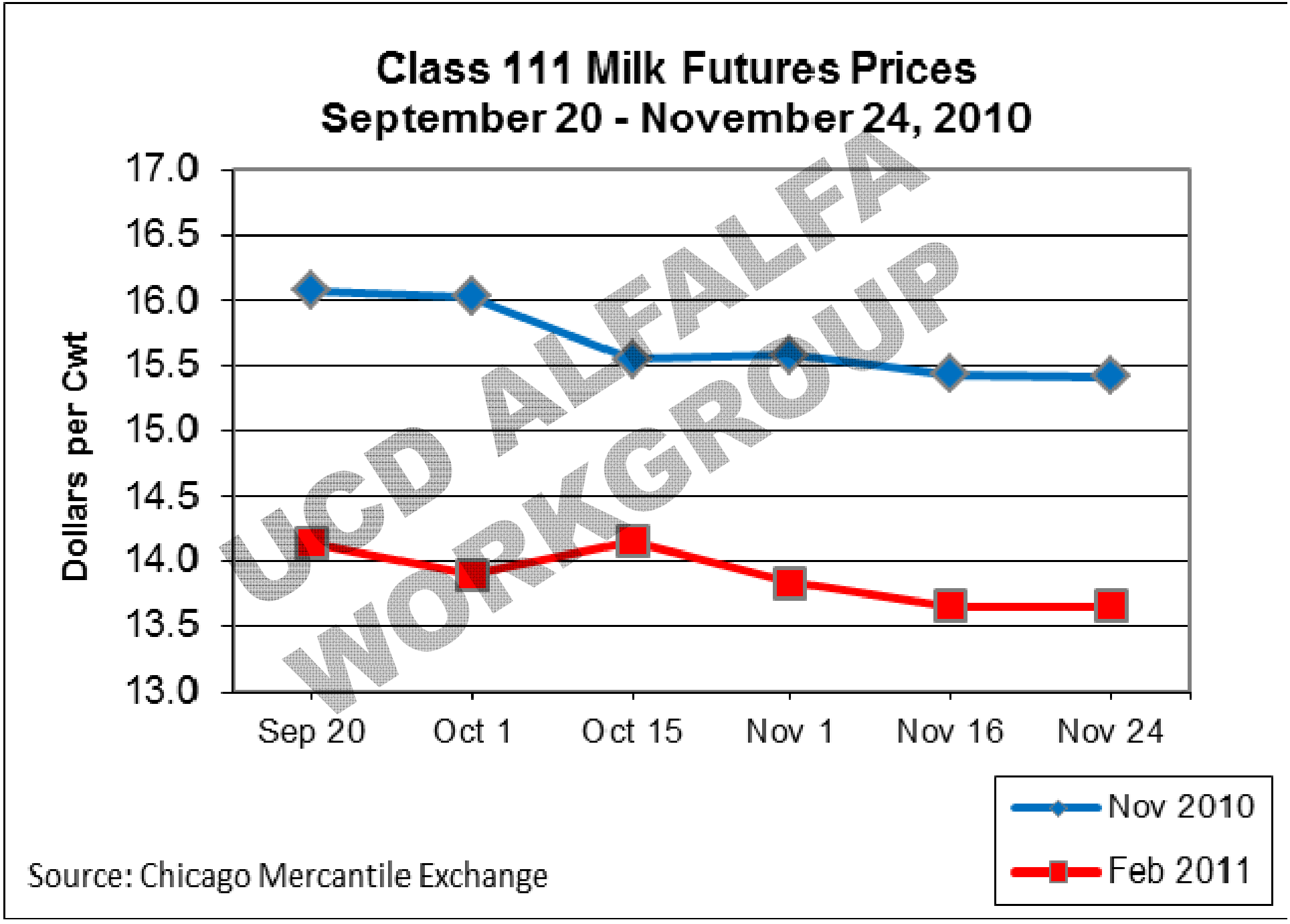
Alfalfa Hay Harvested Acreage, California

1998-2010 - Estimated 2011



Source: USDA-NASS

2011 acreage estimated by Seth Hoyt


Class 111 Milk Futures Prices
September 20 - November 24, 2010
Dollars per Cwt
17.0
16.5
16.0
15.5
15.0
14.5
14.0
13.5
13.0
Sep 20
Oct 1
Oct 15
Nov 1
Nov 16
Nov 24
Nov 2010
Feb 2011
Source: Chicago Mercantile Exchange
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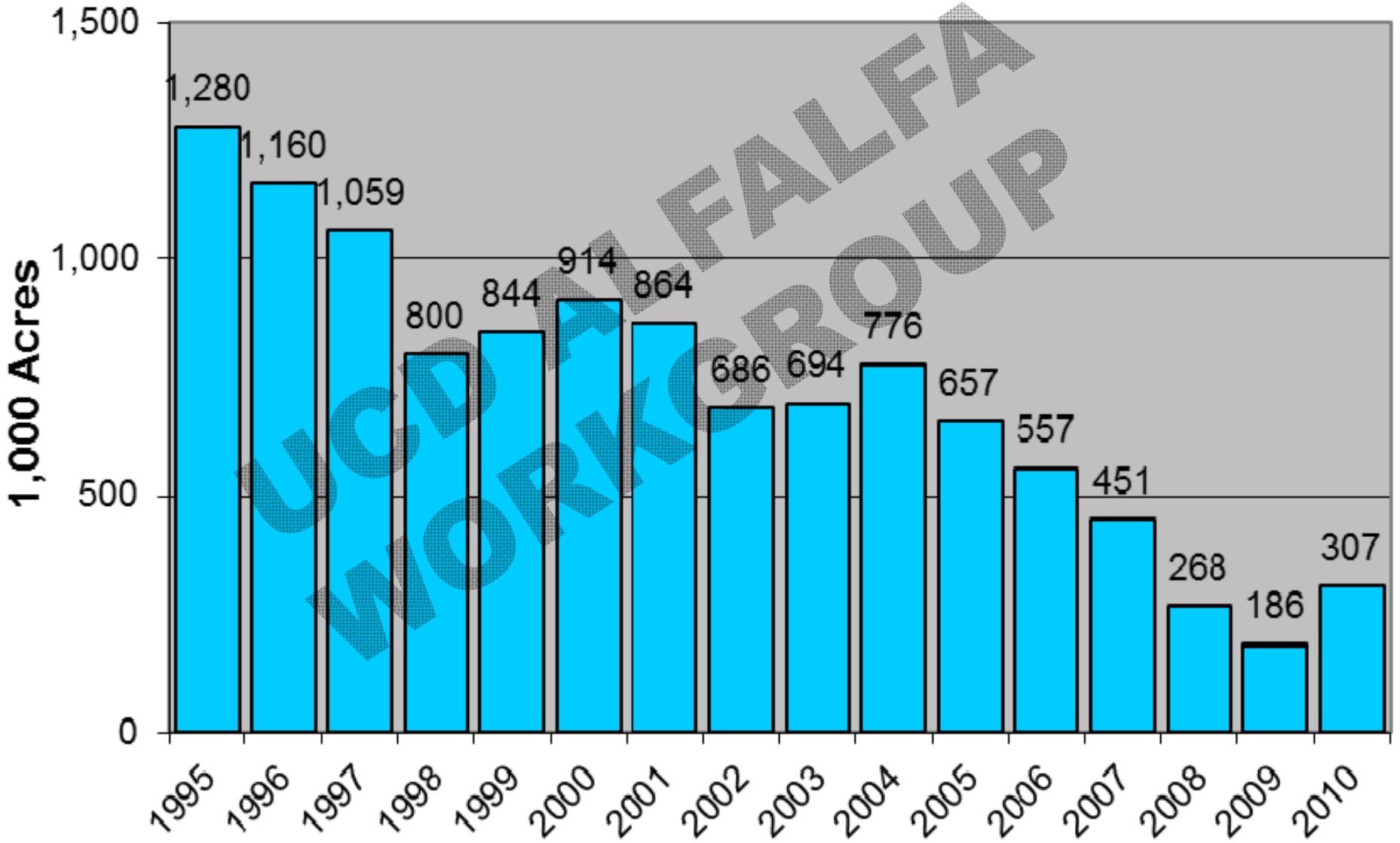
All Cotton Harvested Acreage, California

1995-2010



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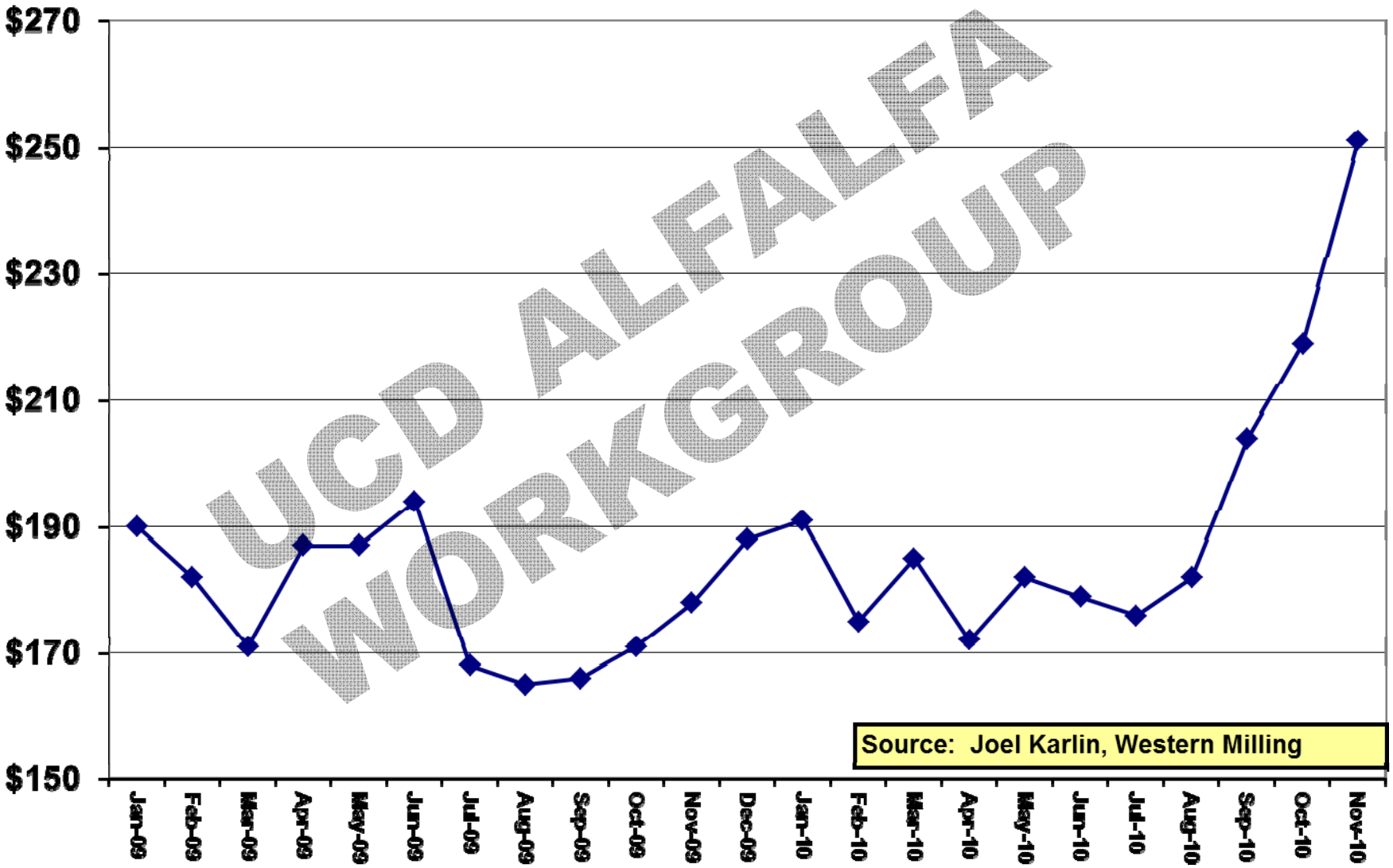
Spot rolled corn basis HTV in $/ton



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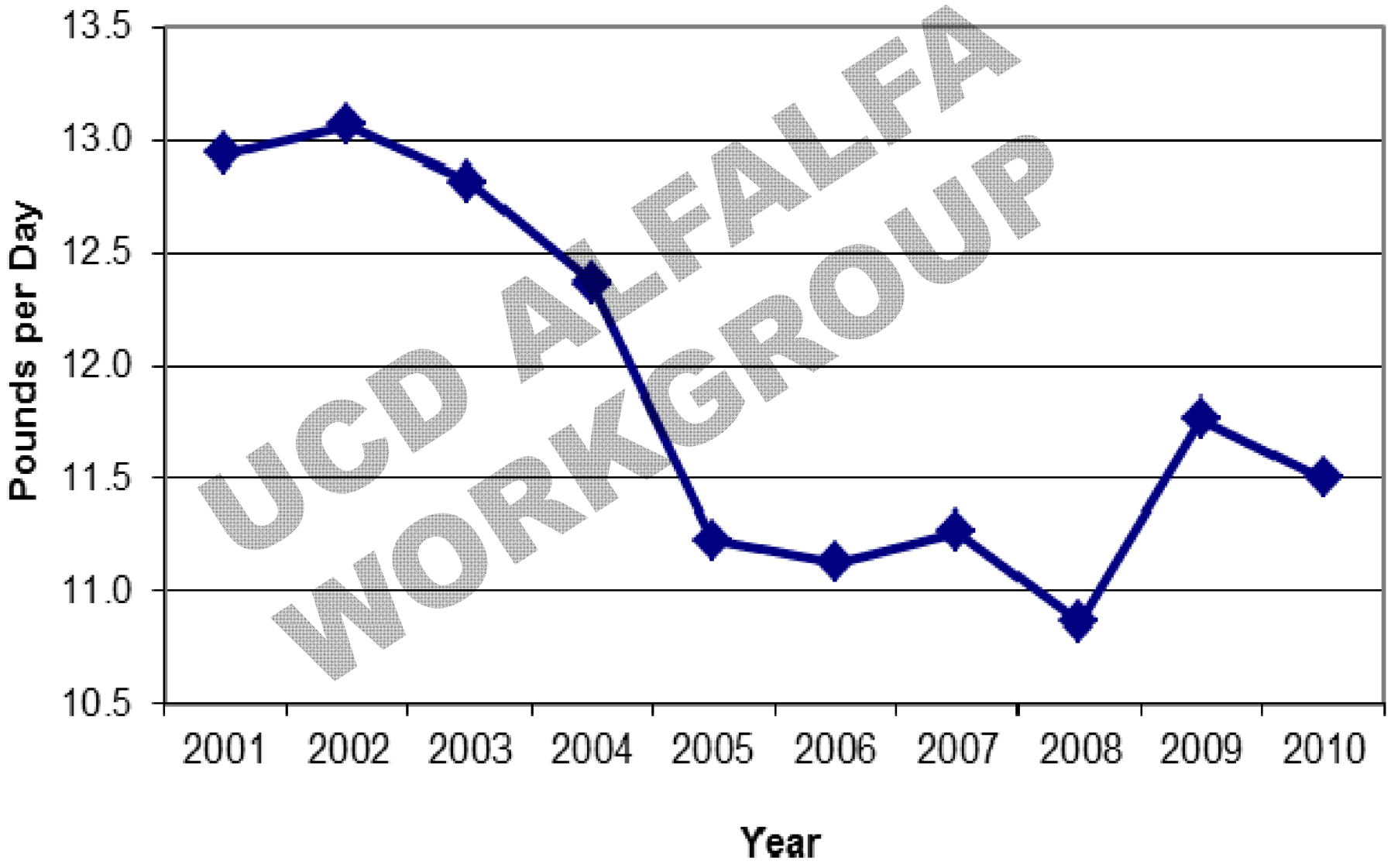
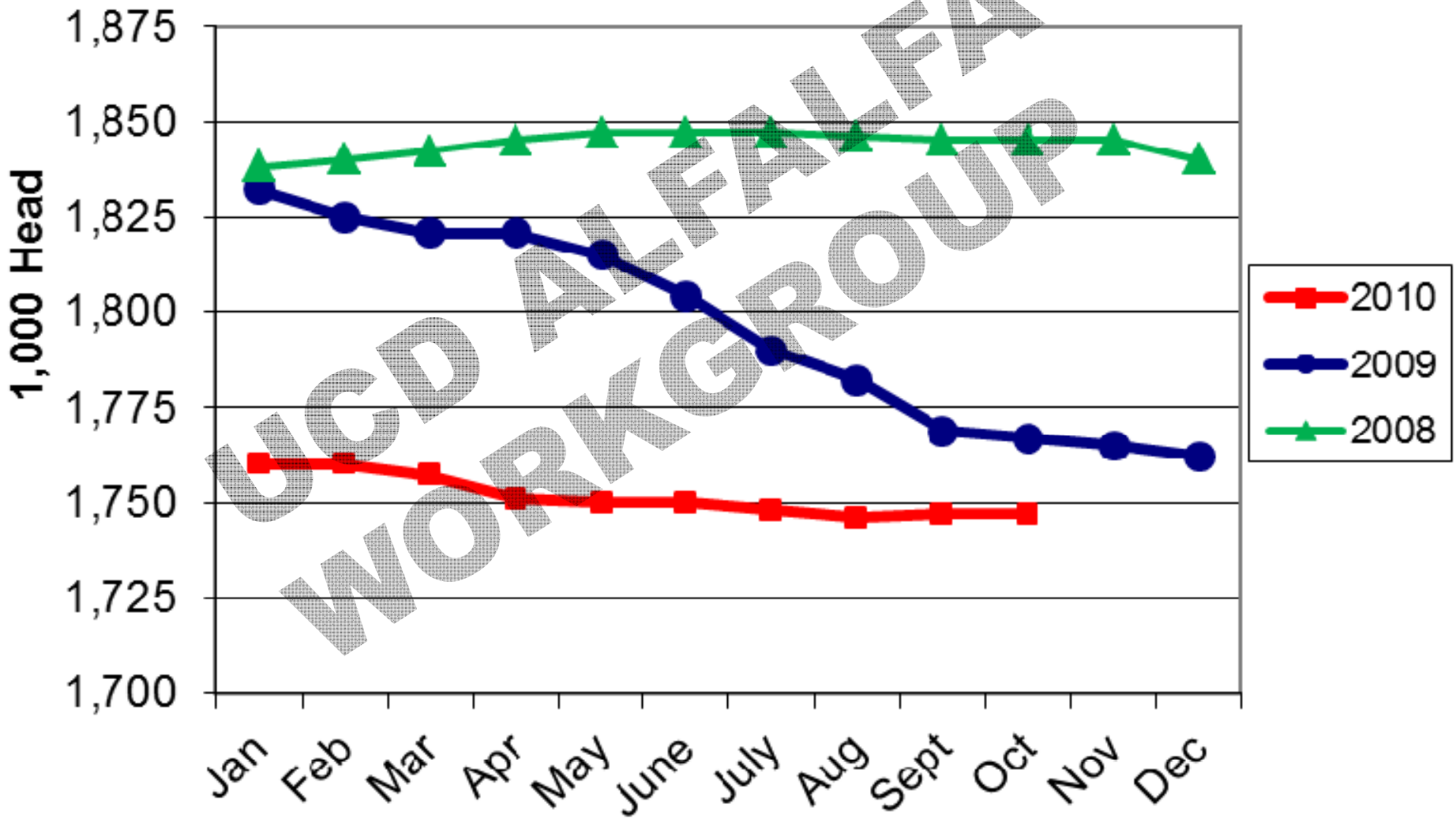
Average Pounds of Alfalfa Hay Fed Per Day to Milk Cows in California, 2001-2010



Source: CDFA Dairy Marketing Branch 2010 - January-June

Monthly Dairy Cow Inventory, California
2008-2010



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Source: USDA-NASS

Hay Exports for 2011

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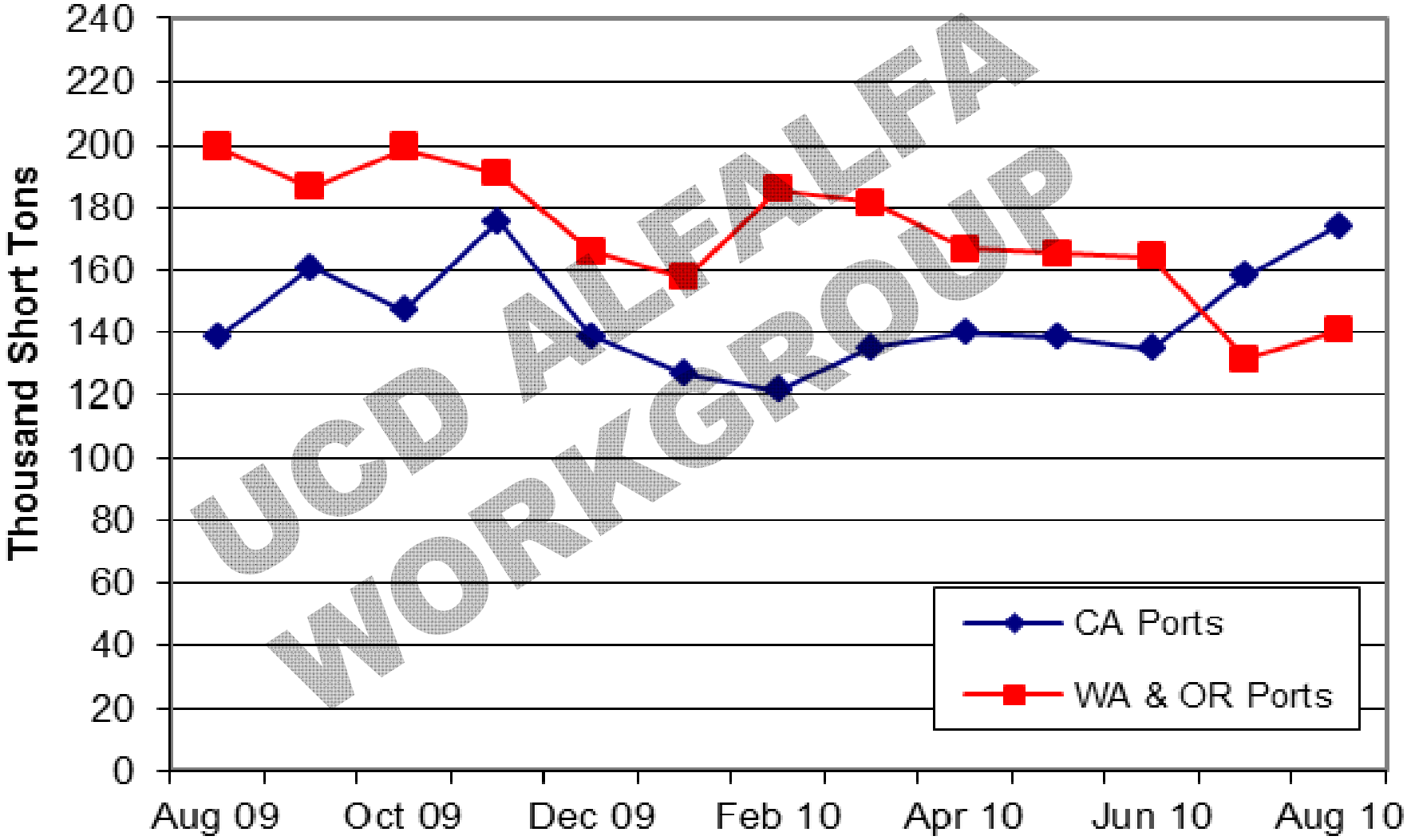
West Coast Baled Hay Exports
August 2009 to August 2010



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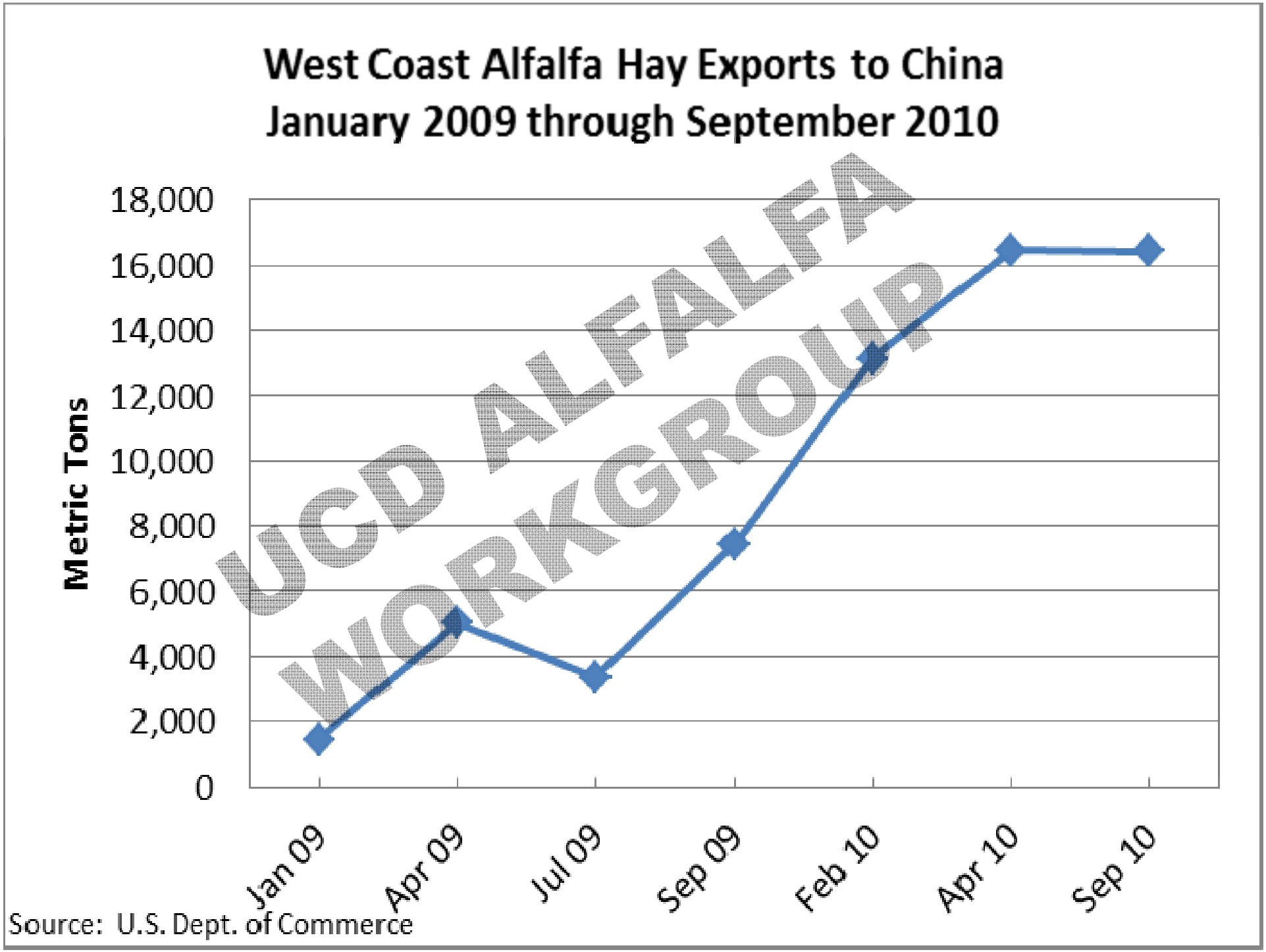
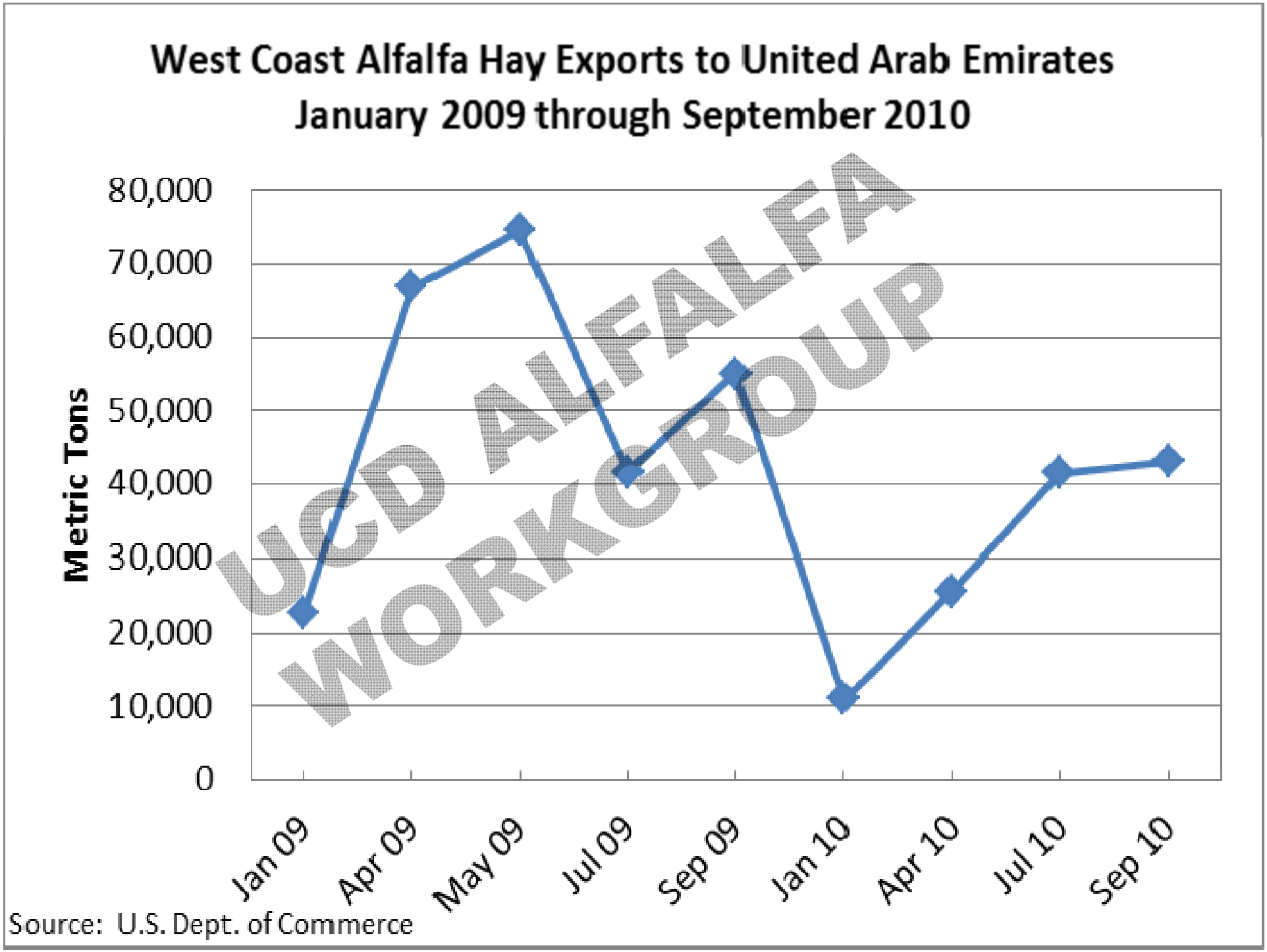
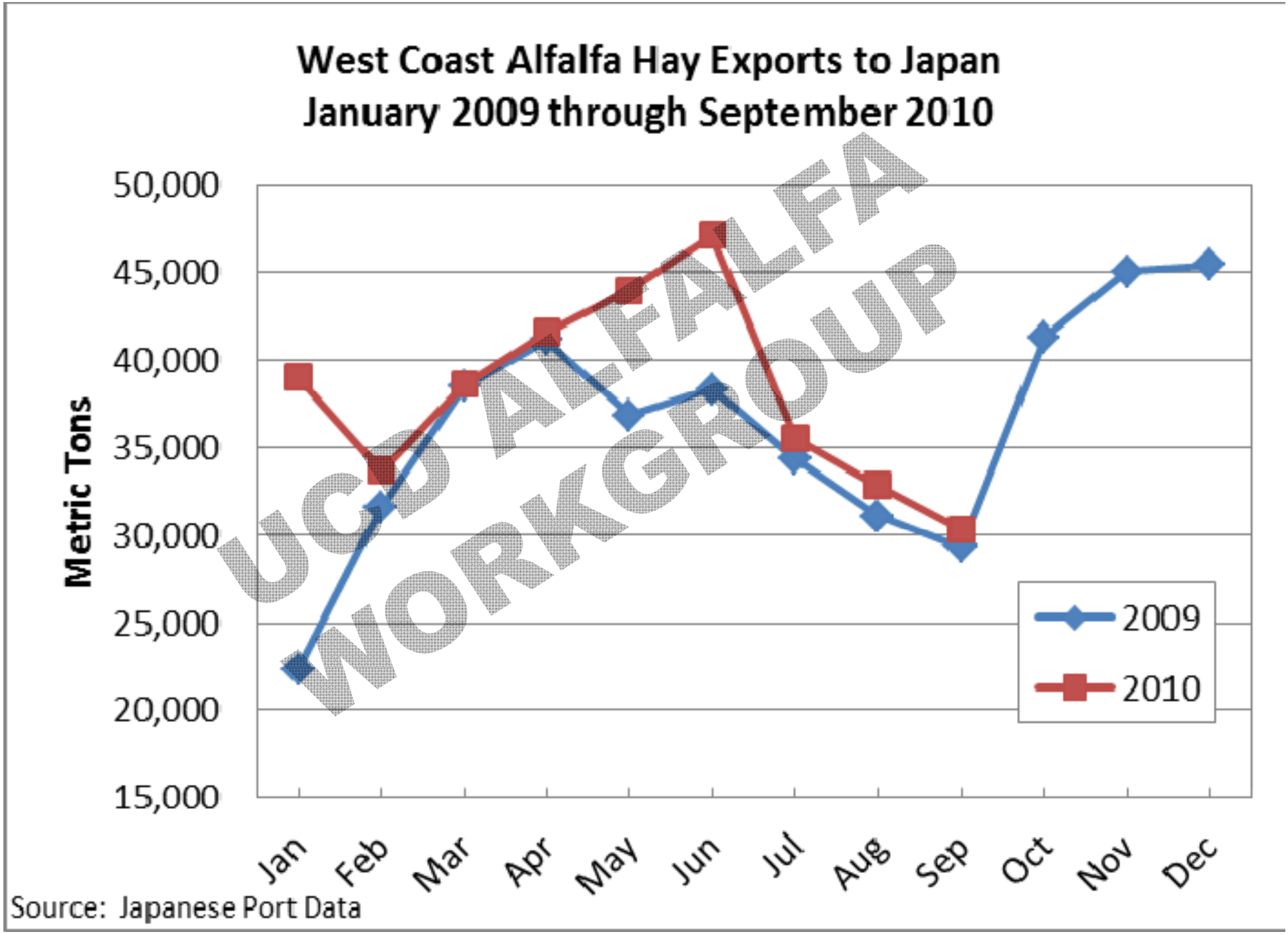
Source: U.S. Department of Commerce


West Coast Alfalfa Hay Exports to China
January 2009 through September 2010
Metric Tons
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Jan 09
Apr 09
Jul 09
Sep 09
Feb 10
Apr 10
Sep 10
UCD ALFALFA WORKGROUP
Source: U.S. Dept. of Commerce


West Coast Alfalfa Hay Exports to United Arab Emirates
January 2009 through September 2010
Metric Tons
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
Jan 09
Apr 09
May 09
Jul 09
Sep 09
Jan 10
Apr 10
Jul 10
Sep 10
UCD ALFALFA WORKGROUP
Source: U.S. Dept. of Commerce


West Coast Alfalfa Hay Exports to Japan
January 2009 through September 2010
Metric Tons
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2009
2010
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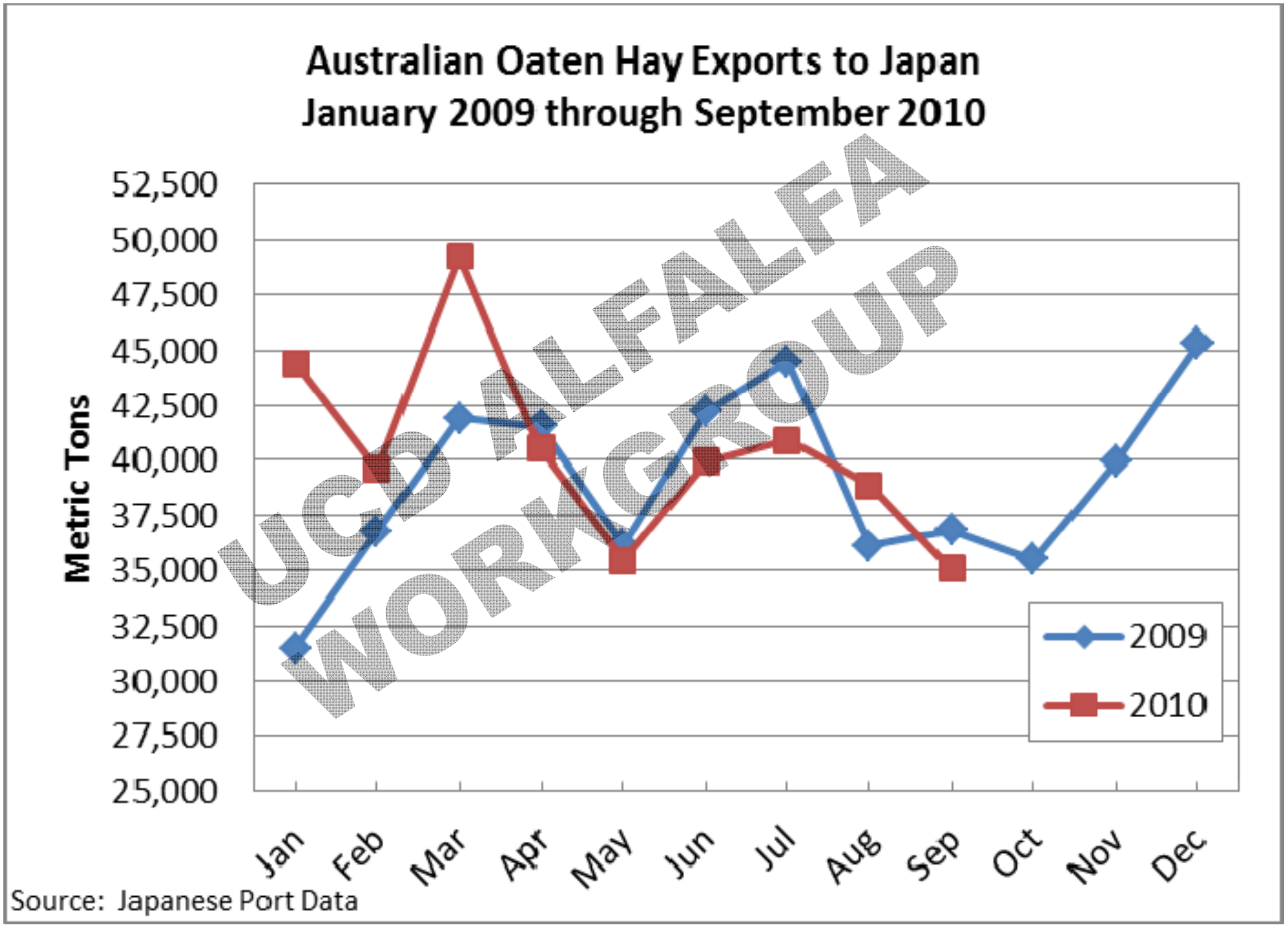
Source: Japanese Port Data


Australian Oaten Hay Exports to Japan
January 2009 through September 2010
Metric Tons
52,500
50,000
47,500
45,000
42,500
40,000
37,500
35,000
32,500
30,000
27,500
25,000
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2009
2010
USDA ALFALFA WORKGROUP
Source: Japanese Port Data

Retail Hay

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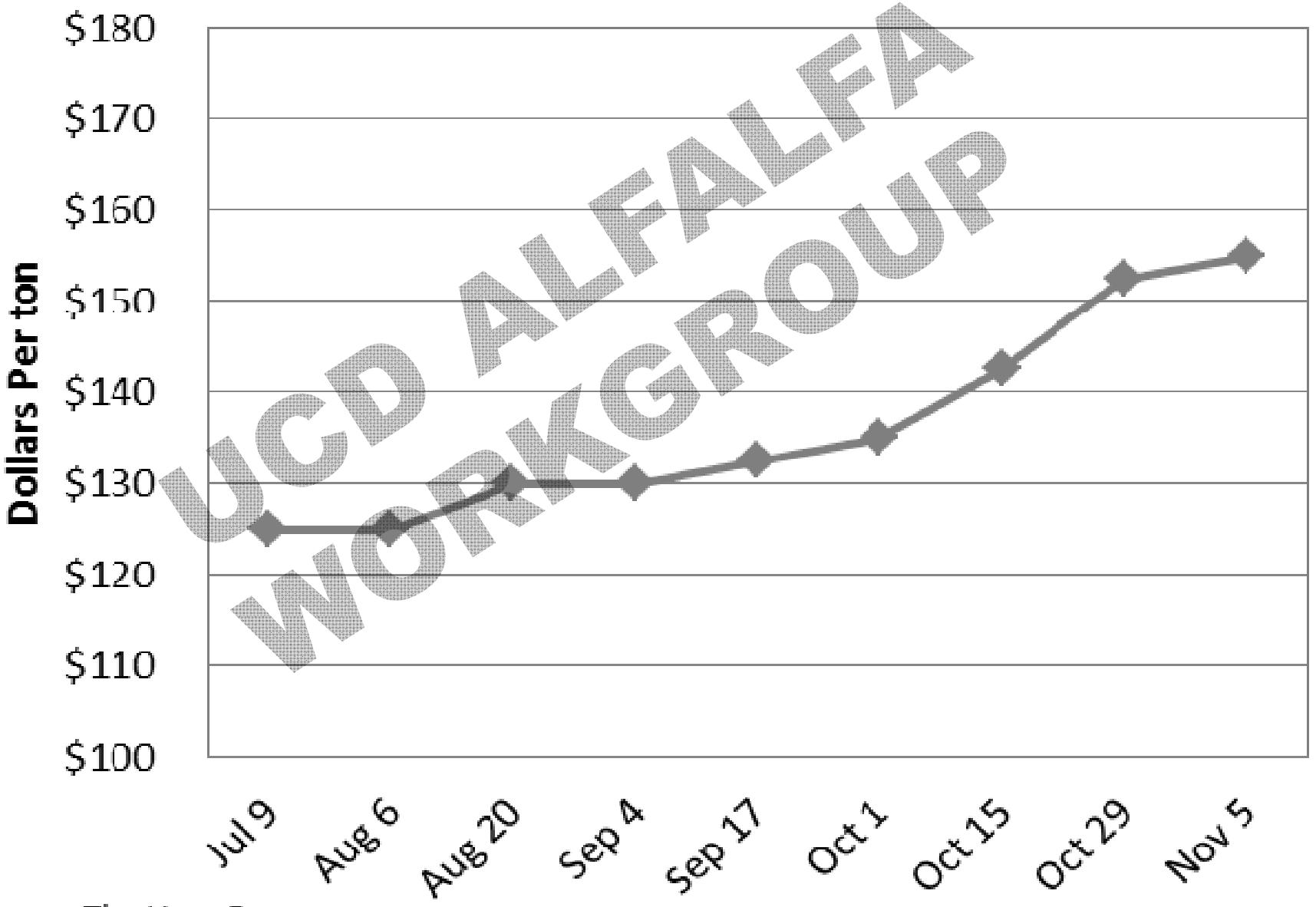
Premium Retail Alfalfa Hay Prices - Imperial Valley
July 9 to November 5, 2010



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Source: The Hoyt Report

What To Expect In 2011

- Alfalfa hay acres will be down in West
  - Roundup-Ready alfalfa seed may be available in spring of 2011 which may temper decline
  - Drop in acres in Central and Northern Valley will offset by unchanged acres in Imperial Valley
  - Milk Prices softer the first half of 2011

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What to Expect in 2011 (Cont'd)

- Western Hay stocks will be lower December 1, 2010 and May 1, 2011

- Alfalfa hay prices higher than early 2010
  - --Supreme alfalfa hay $200 to $220 delivered Tulare on early cuttings
  - --Early Imperial V. Supreme $155 to $165 fob
  - --Early Supreme in central CA $180 to $190 fob

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What To Expect in 2011 (Cont'd)

- Corn for silage acres down and prices strong
- Alfalfa hay in-shipments will be down due to fewer acres and production in the West.
- Retail/horse alfalfa & grass hay prices strong through winter and soften a little at new crop
- Hay Exports up a little but higher hay prices will temper the increase

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The Hoyt Report

Hay Market Analysis and Insights

Factors Affecting Hay Supply and Demand in the West

Planting and Usage Dynamics with Market Implications

View Sample Report

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Happy Holidays and the
Best to you in 2011

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