

Current Trends in U.S. Hay Exports and Future Prospects

CALIFORNIA ALFALFA & FORAGE SYMPOSIUM

November 20, 2019

Reno, Nevada

William A. Matthews and Daniel A. Sumner

University of California Agricultural Issues Center

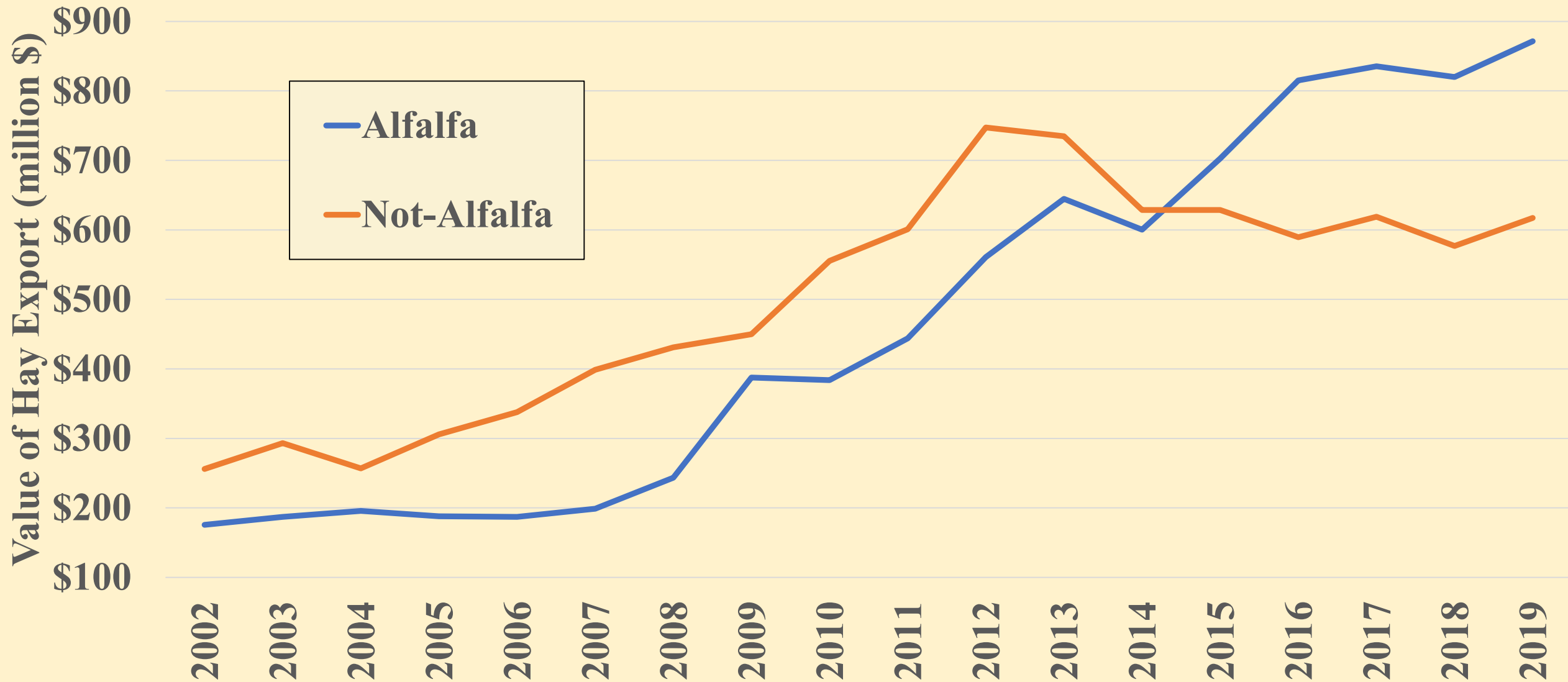
www.aic.ucdavis.edu



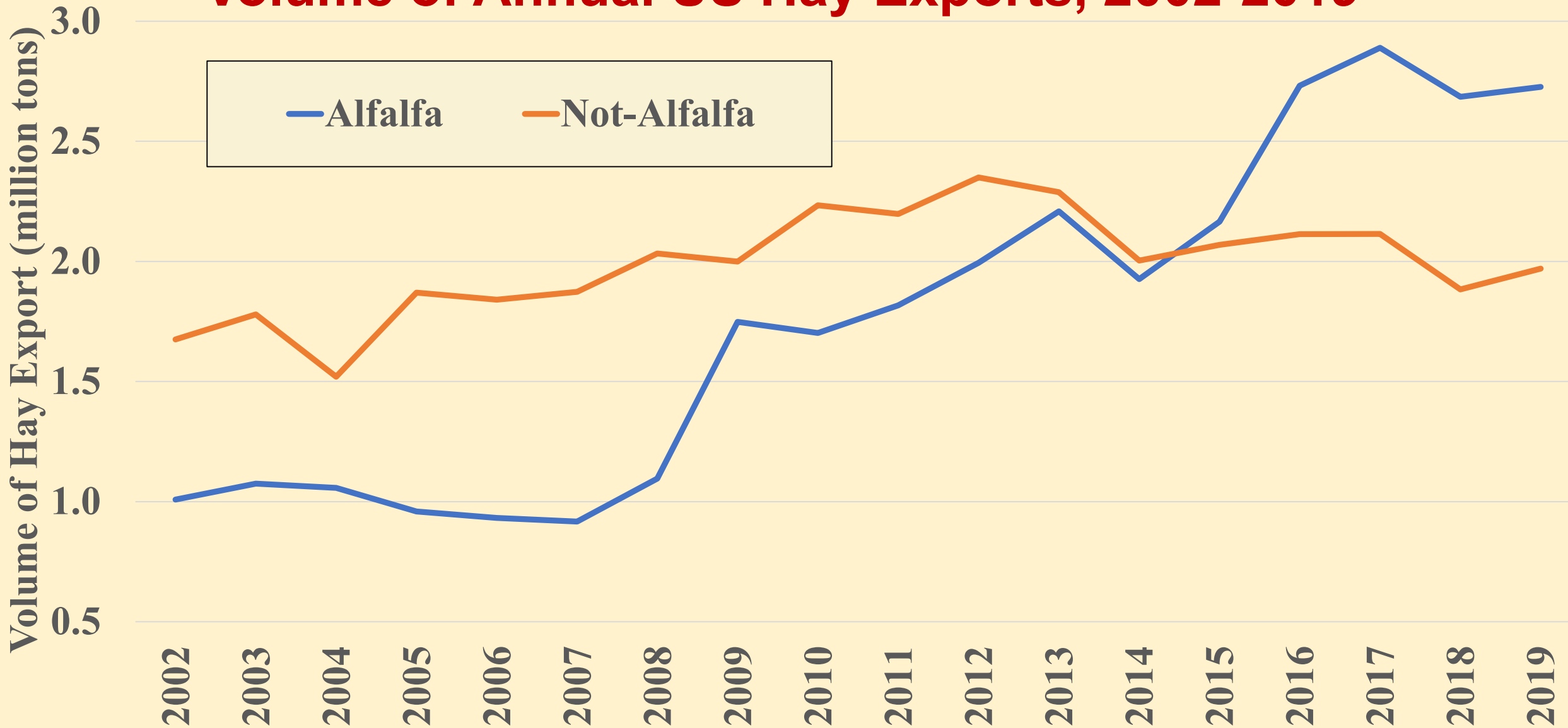
Today's Discussion

- Long-term trends in hay exports
- Trends by Destination
- Impacts of Recent Trade Turmoil and other market shocks
- Prospects for future export market

Value of Annual US Hay Exports, 2002-2019

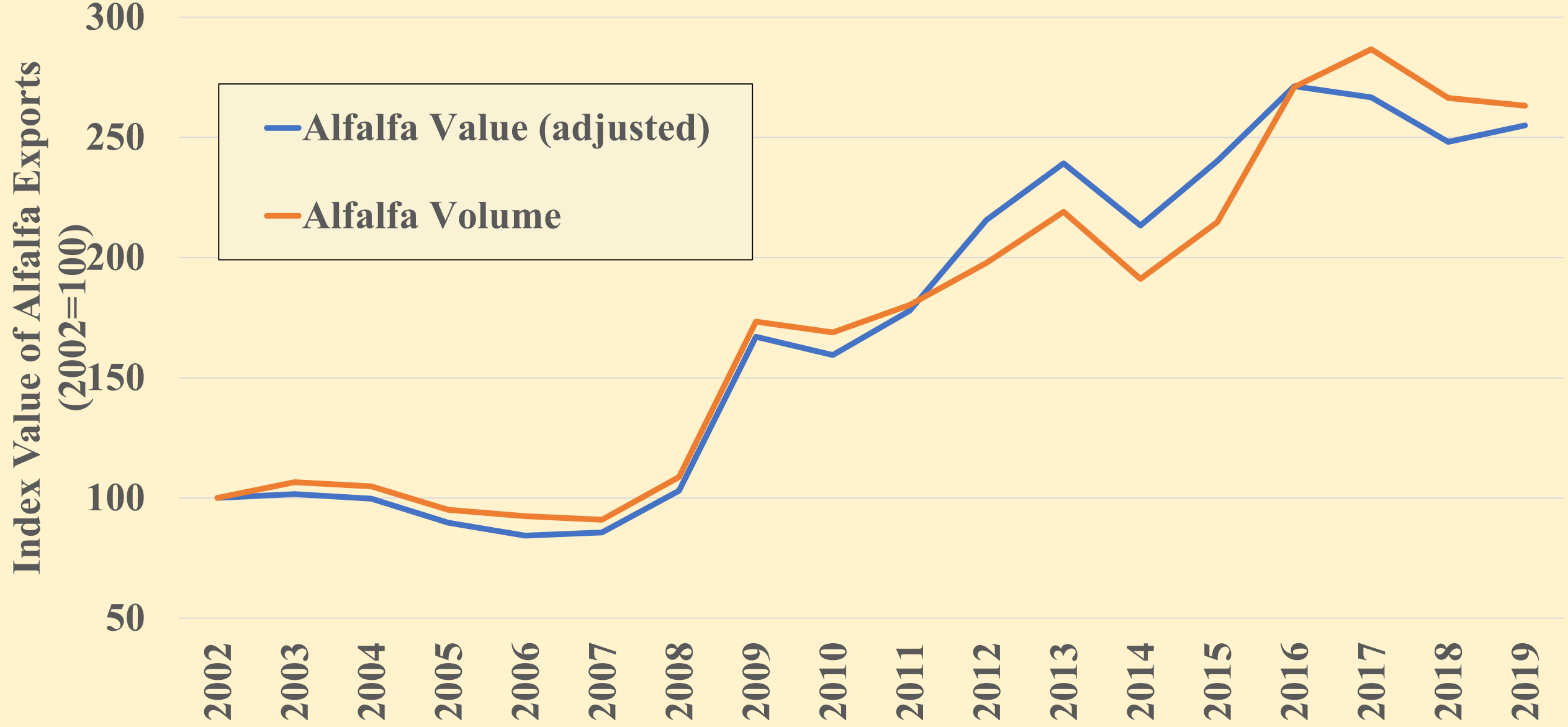


Volume of Annual US Hay Exports, 2002-2019



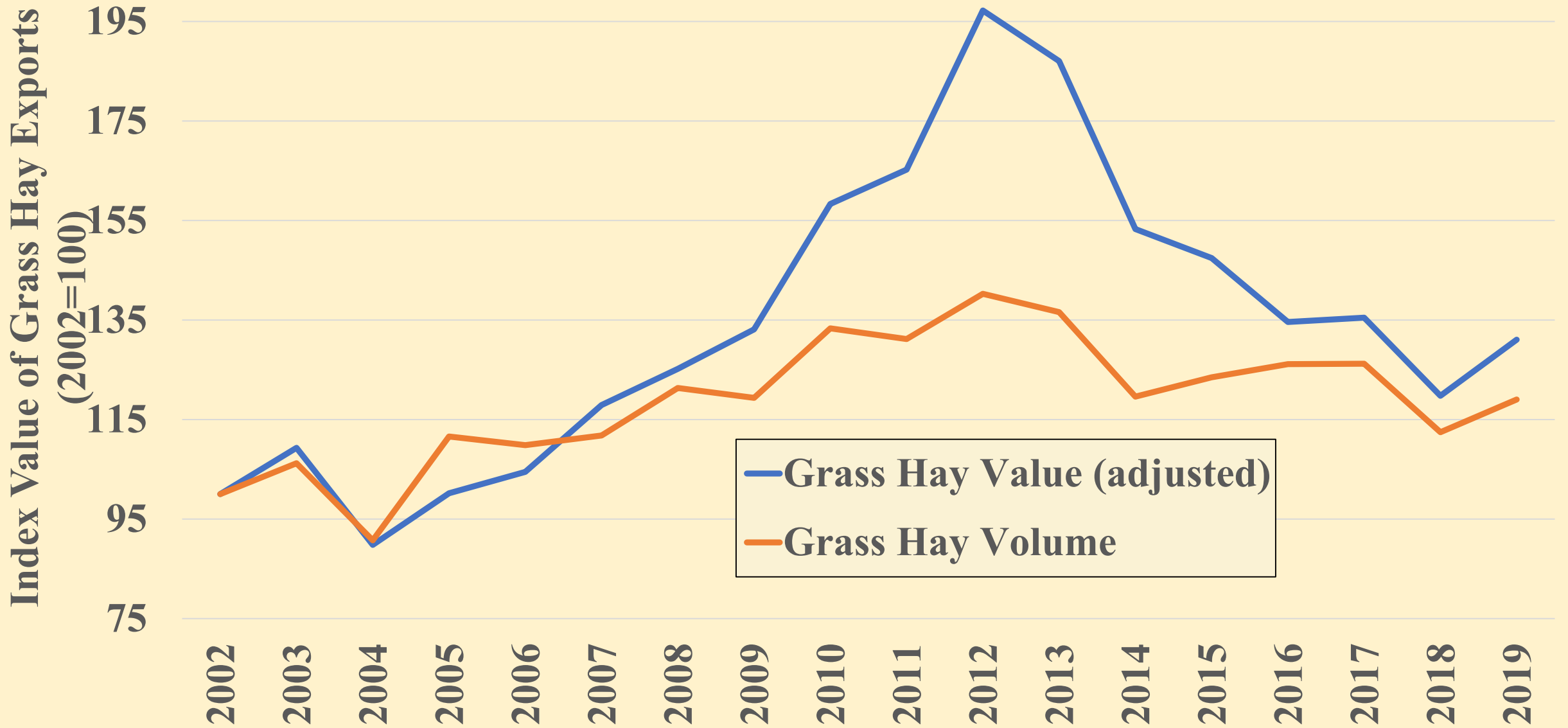
Source: U.S. Census Bureau (<https://usatrade.census.gov>)

Index of Annual US Alfalfa Exports, 2002-2019



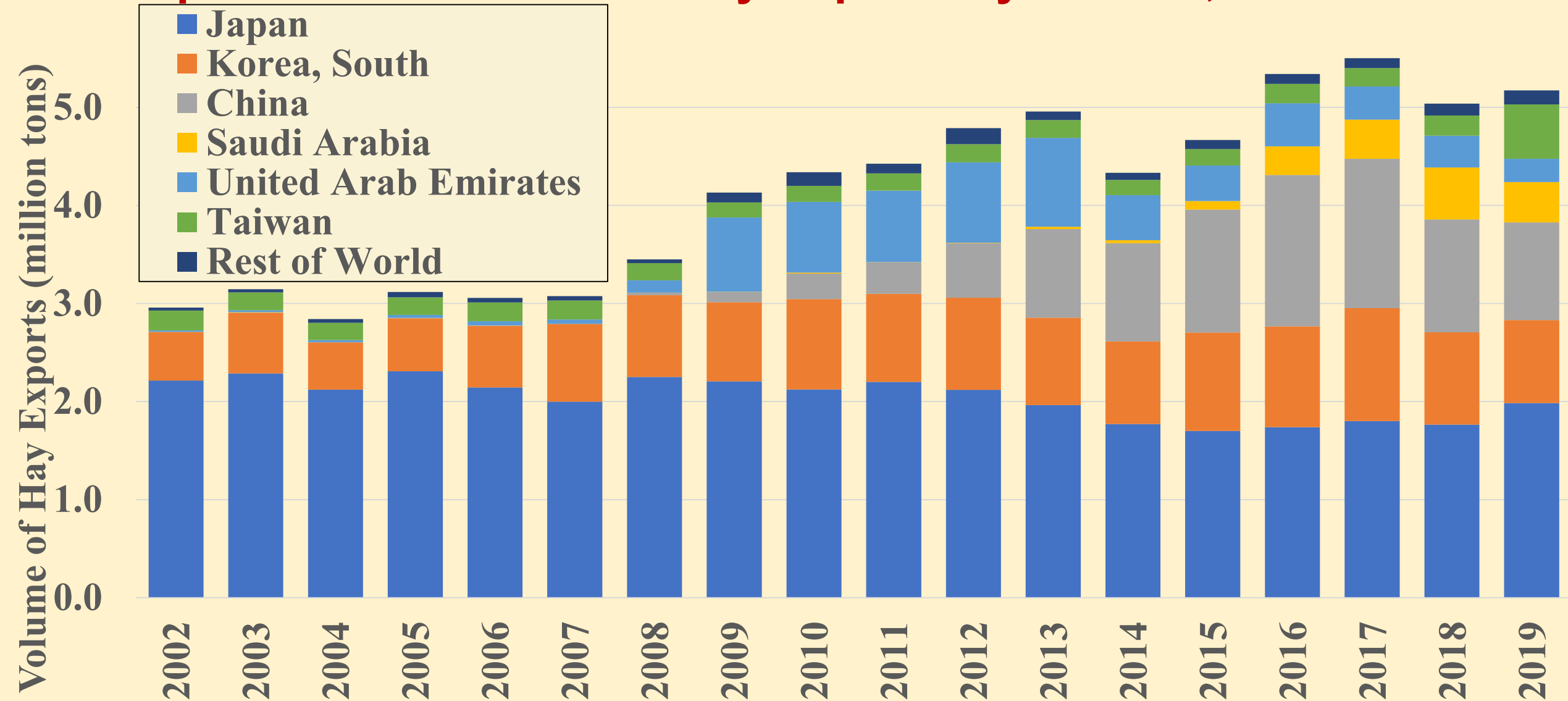
Source: U.S. Census Bureau (<https://usatrade.census.gov>)

Index of Annual US Grass Hay Exports, 2002-2019



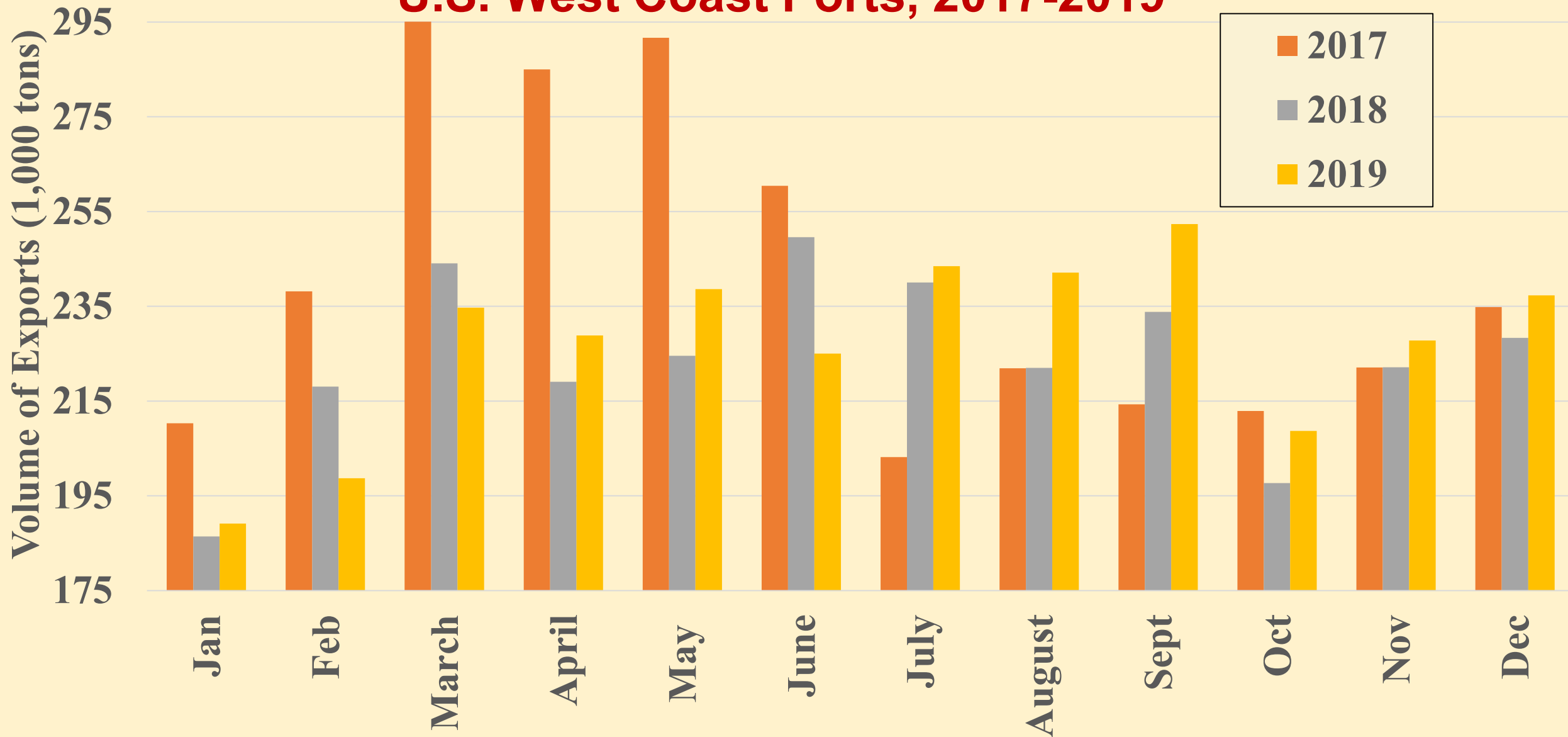
Source: U.S. Census Bureau (<https://usatrade.census.gov>)

Top Destination for U.S. Hay Exports by Volume, 2002-2019



Source: U.S. Census Bureau (<https://usatrade.census.gov>)

Monthly Volume of U.S. Alfalfa Exports Through U.S. West Coast Ports, 2017-2019



Source: U.S. Census Bureau (<https://usatrade.census.gov>)

Comparison of 2018 and 2019 U.S. Alfalfa and All Hay Export to Top Destination Countries from Western U.S. Ports

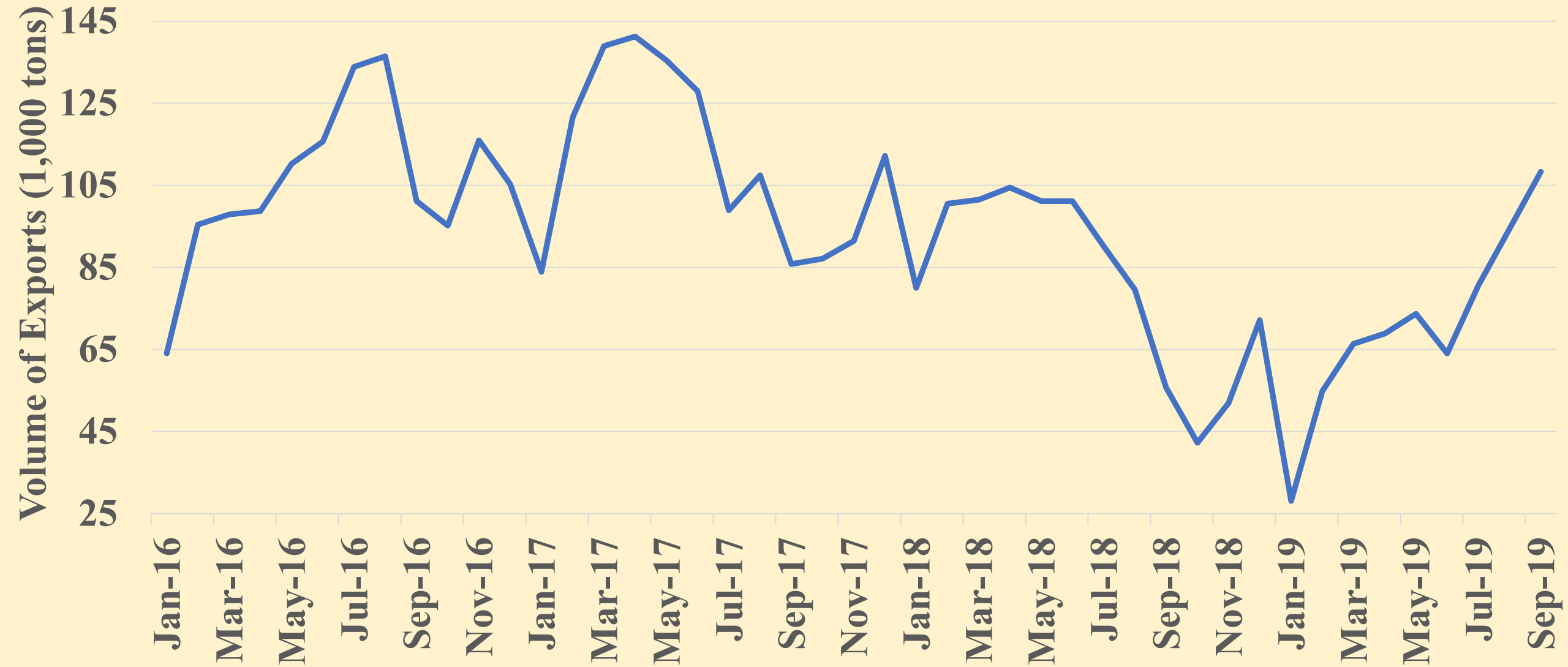
ALFALFA HAY						
	Value (\$ millions)		Percent Change	Volume (1,000 MT)		Percent Change
	2018	2019		2018	2019	
Japan	216	271	25.1	696	831	19.4
China	272	207	-23.9	890	633	-28.9
Saudi Arabia	155	160	3.1	481	500	4.0
United Arab Em	65	94	45.1	243	323	32.9
Korea	73	79	9.1	237	253	6.8
Rest of World	39	47	20.8	140	113	-19.3
Total Exports	820	842	2.7	2,686	2,653	-1.2
ALL HAY						
Japan	503	595	18.2	1,601	1,801	12.5
Korea	251	268	6.5	854	904	5.8
China	316	246	-22.0	1,039	763	-26.6
Saudi Arabia	155	160	3.1	155	160	3.1
United Arab Em	86	116	35.2	294	375	27.6
Rest of World	85	89	3.9	626	644	2.9
Total Exports	1,397	1,474	5.5	4,570	4,647	1.7

Tariff Rates for U.S. Exports of Hay Products to China, 2018

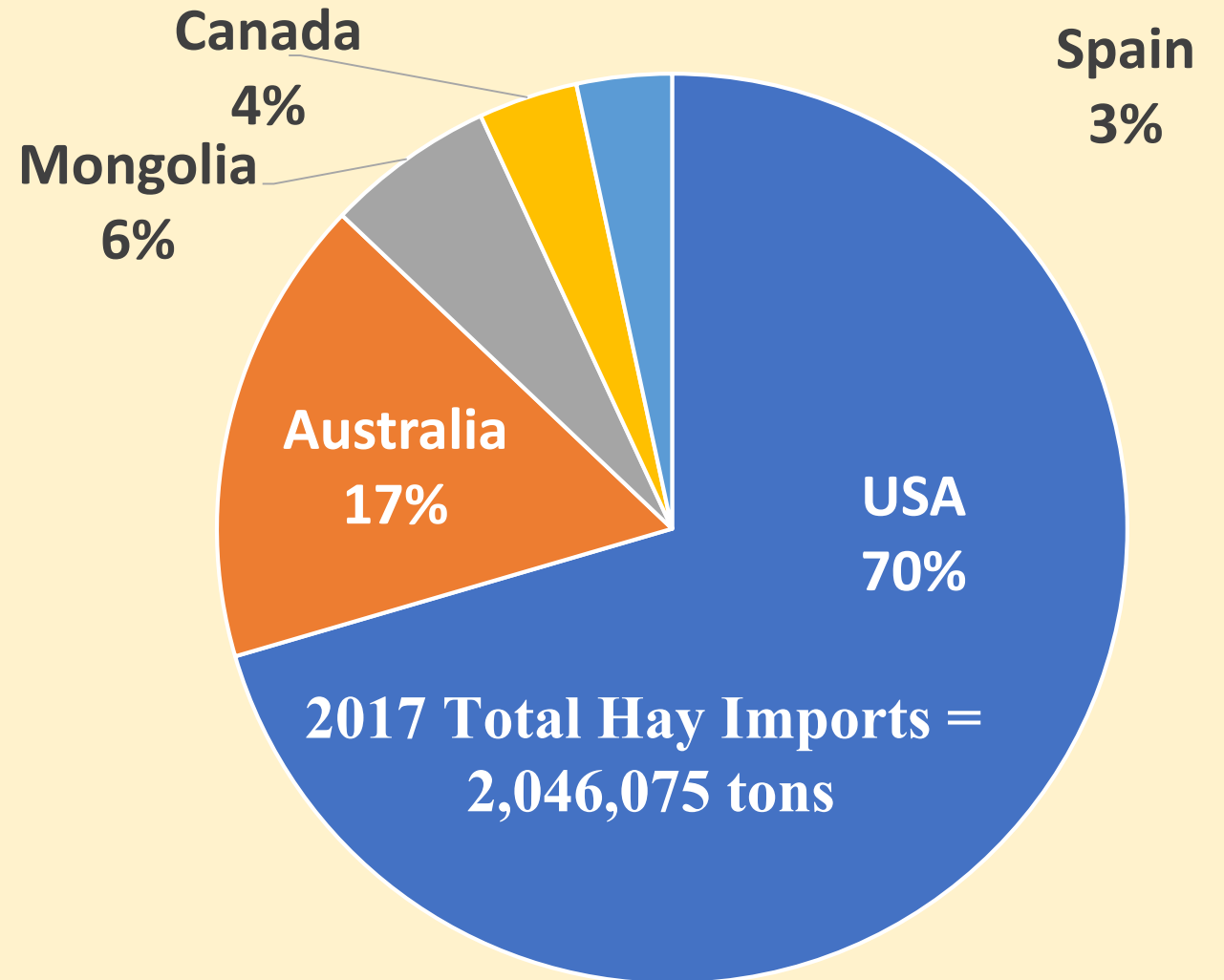
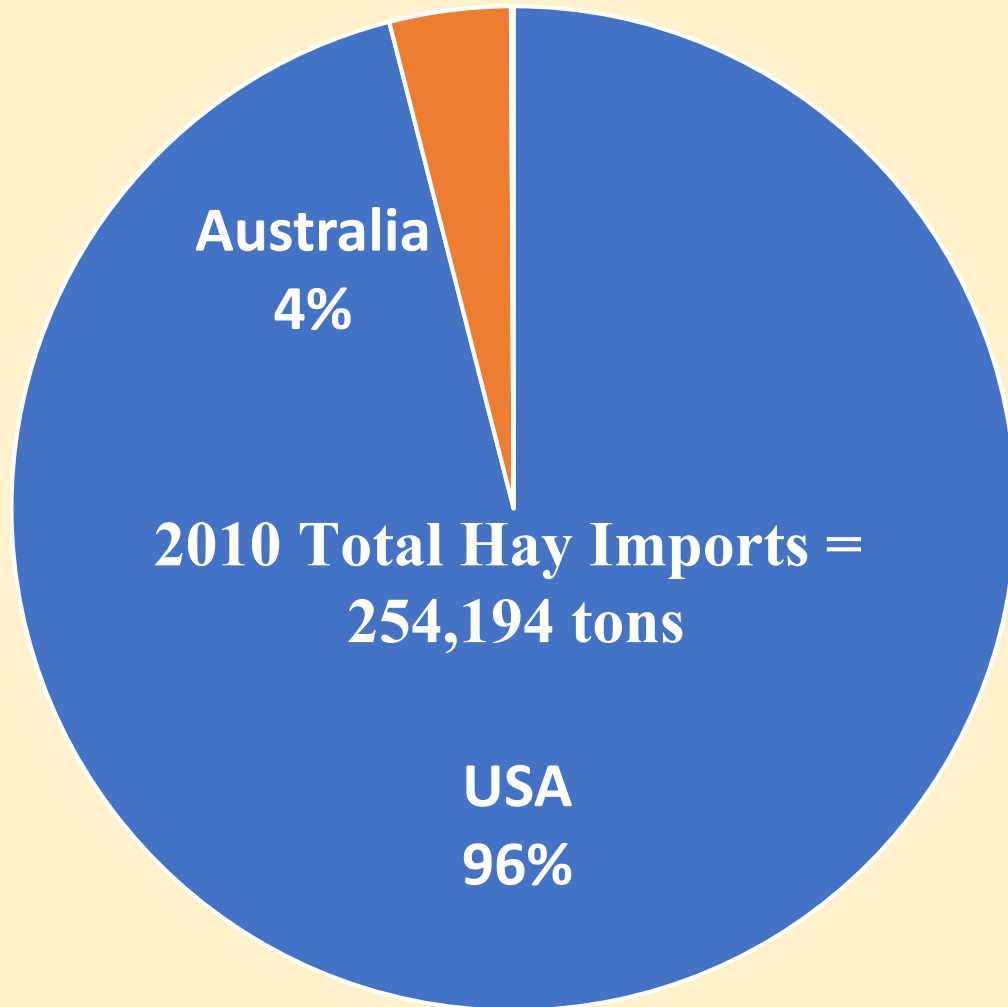
Product	Most Favored Nation Rate July 1, 2018	Additional Retaliatory Rate July 6, 2018	Total Tariff Rate July 6, 2018
Alfalfa Products	5%	25%	30%
Grass Hay Products	7%	25%	32%

Source: USDA FAS Gain Report #CH 18034, 6/21/2018

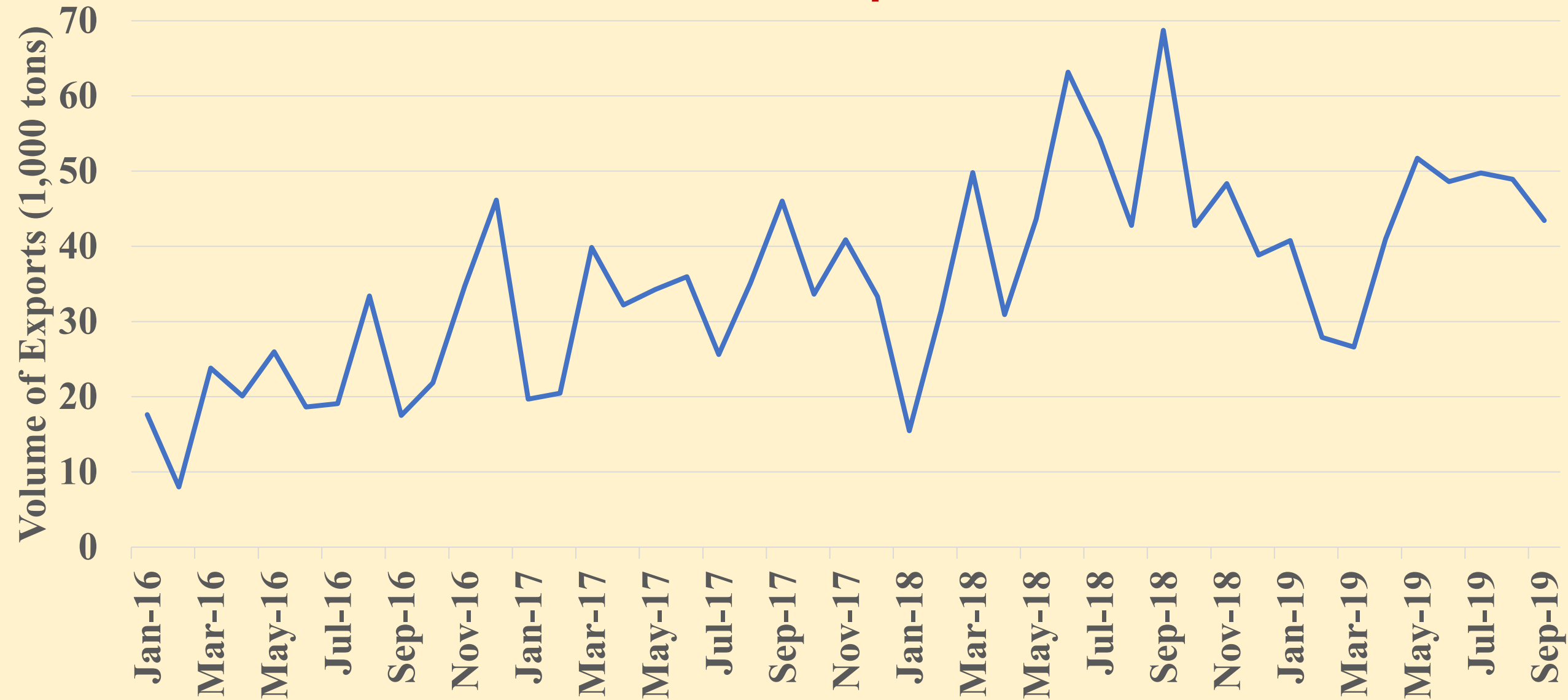
Monthly Exports of U.S. Alfalfa to China, Jan 2016 to Sept 2019



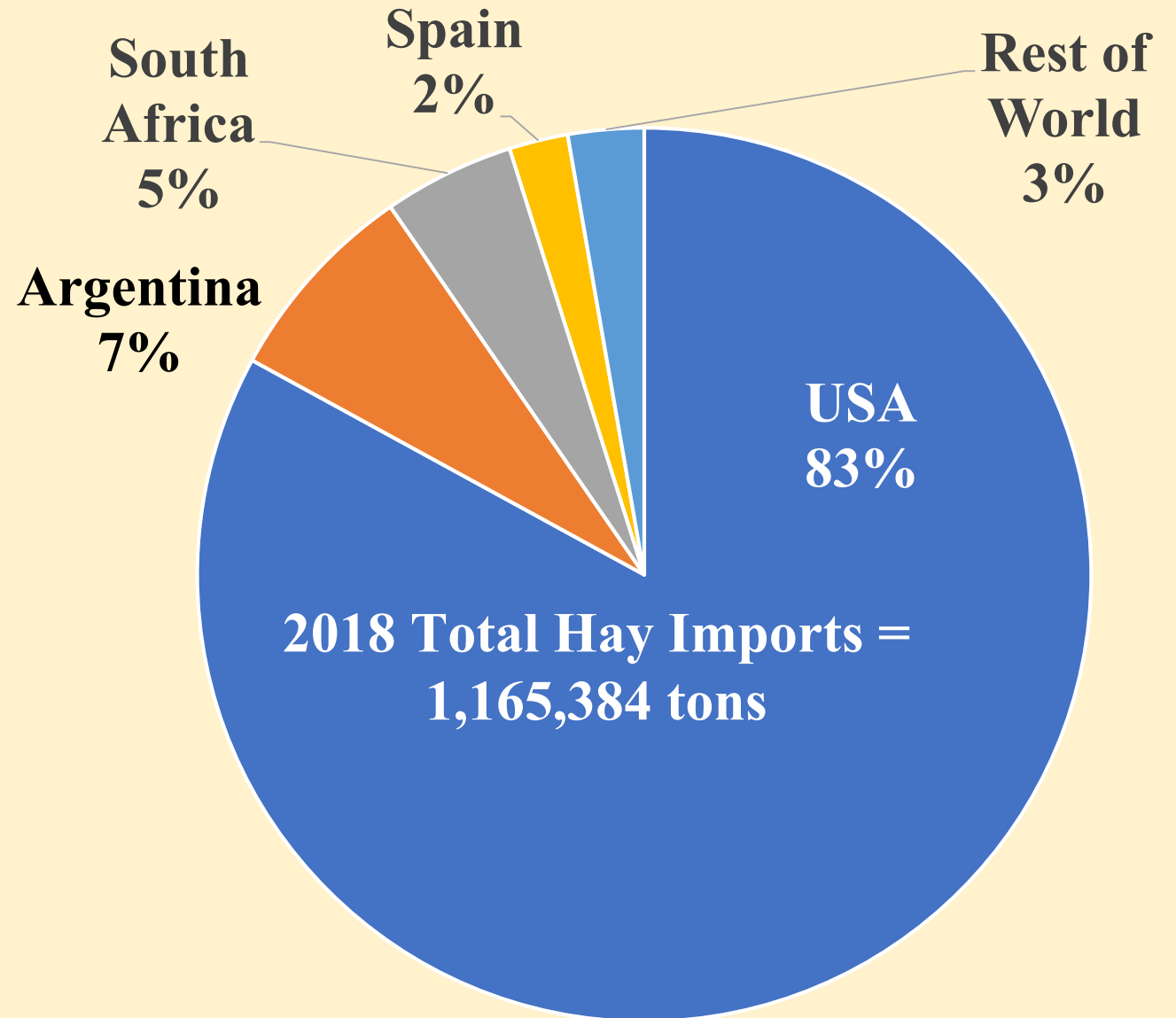
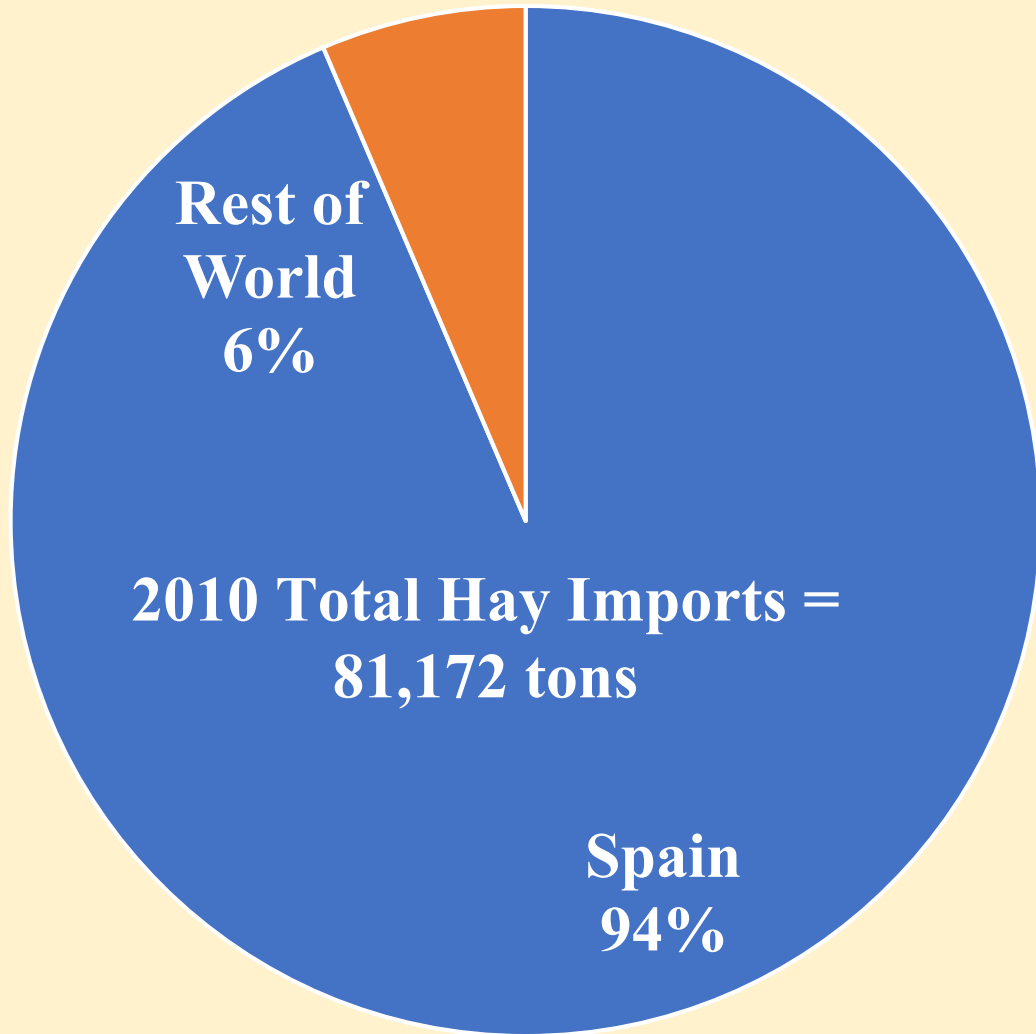
Share of Total Hay Imports to China by Country, 2010 and 2017



Monthly Exports of U.S. Alfalfa to Saudi Arabia, Jan 2016 to Sept 2019



Share of Total Hay Imports to Saudi Arabia by Country, 2010 and 2017



Future Prospects

- **Resolution of trade turmoil with China**
 - Recent trade suggests China still reliant of U.S. hay producers
- **Continue to be competitive supplier to Saudi Arabia**
- **Japan-U.S. Free Trade Agreement: Announced Sept 2018**
 - Includes trade terms that reduce barriers for U.S. dairy exports to Japan over 20-year implementation schedule.

THANK YOU

University of California
Agricultural Issues Center
www.aic.ucdavis.edu

 University of California Agriculture and Natural Resources



University of
California
Agricultural Issues
Center