

PREDICTIONS FOR 1982 AND MARKET WRAP UP

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Quality conscious feeders, statewide, continued during the 1981 season to demand high quality alfalfa for their dairy herds. Demands for 55 TDN or better comprised a large share of the orders for this year.

During the past season, the buyer's message was loud and clear. Grower stack yards bulged with hay testing 53 TDN and lower. Unsuitable for their needs to achieve higher production goals, these lots were continually passed over. Many growers' inventories were being held at what they considered a price to cover cost of production. With an apparent oversupply on the market, many buyers confidently purchased their needs on a hand-to-mouth basis.

Price quotations in the #1 range carried a 54 TDN and better comment from the State Marketing News Service on a weekly basis and indicated the buyer's preference to purchase a high quality hay.

Perhaps then it may become feasible to explore the possibilities of pricing available hay lots on a protein or TDN basis. Until such time, however, that a new system being researched is perfected, it will be difficult to price on that basis.

Producing the type of hay that many buyers seek is not an easy matter. Good management practices are essential. In so doing, however, alfalfa stands suffer and costs escalate. Prices received by the seller for high quality hay are not enough to justify continually cutting on a short cycle. Perhaps more emphasis on research in the direction of quality and variety should be stressed in order to achieve a happy medium.

This season, growers with available storage reluctantly moved hay into barns. Again, economics enter the picture. High interest rates and lower commodity prices are not very conducive for the grower to gamble on higher prices during the winter months. These factors must be considered by the grower in deciding to manage his cuttings to achieve a higher quality hay for prompt movement.

Valley inventories, not yet known, are expected to be lower. Many dairies bought on a hand-to-mouth basis during this last summer and are expected to remain in the market this winter season. Inquiries by dairymen in our marketing area indicate that this is what we can expect.

The 1982 crop year may bring a new set of rules for marketing. We can only mildly predict what they can be. If buyers can find the quantity and quality they want by buying on a hand-to-mouth basis, then that is what they will do. If they cannot find the quality they desire and suffer a production loss from hand-to-mouth buying, then you will see them in the market early next season trying to buy their needs at a time when they have a choice.

Alfalfa acreages are expected to be lower in the San Joaquin Valley this next season. The sales of alfalfa seed are slow. Some growers are reducing their alfalfa acreages because of the depressed market. Other growers are taking an optimistic look at 1982. With expected lower acreages and a good to moderate demand, prices for alfalfa hay should firm up. Other commodities used by the dairy industry can have a drastic effect on hay prices. At present the lower prices of these commodities compete quite well with alfalfa hay and continue to take a good share of their feed ration.