

# The Saskatchewan Hay Report

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Saskatchewan Forage Council

Fall 2004

## **Saskatchewan Hay Summary 2004**

*Michel Tremblay, Forage & Grass Seed Specialist, SAFRR, Regina*

This year's hay crop got off to a slow start, due to cool conditions and a lack of soil moisture - a lingering effect of the hot dry summer occurring in 2003. Rain occurred across most of the province beginning in late May, and continued throughout most of the summer. Cool temperatures throughout the growing season resulted in one of the coldest summers on record. As in 1998, a weak start to the growing season was reversed by copious rainfall beginning late (for forage crops) in the season. As a result, forage yields were generally above average. Wet harvest weather conditions frustrated many growers. Harvest was delayed by slow growth early in the year, and rainy weather later. The first cut began in July for most growers. Continued rains, cool temperatures and high humidity made haymaking difficult. Much of the 2004 crop suffered significant rain damage.

Cool moist conditions throughout the province resulted in the development of a second cut in many cases in the 0.5-1.0 ton per acre range. Because the first cut occurred late, the second cut was backed up into the fall critical period for alfalfa (approximately August 15 to frost). The looming supply of frost damaged annuals potentially going into green feed supply, preoccupation with trying to harvest annual crops, softening feed prices, and continued poor drying conditions slowed harvest activity on second cut alfalfa.

Prices at the beginning of the season were tracking well, considering the uncertainty in

the livestock sector. Good alfalfa hay was trading at \$70-\$85 a ton. As the season progressed, prices softened as it became apparent that above average tonnage would be harvested. Poorer quality also decreased selling prices as the 2004 crop was harvested. As in 2002, the feed supply situation changed significantly late in the growing season with the occurrence of the first major frost on August 20. The late development of annual crops led to significant damage to a number of types of field crops. Continued slow development of annual crops has led to increasing acreages being offered to livestock producers as green feed crops. Increased feed supplies continue to put downward pressure on prices. Presently, prices for alfalfa are in the \$55 to \$65 per ton range.



***Figure 1. Poor harvest weather in 2004 had more feed growers using bale wrappers to preserve high moisture hay.***

Timothy hay continued to be grown in Saskatchewan for compression and sale into export markets. In east central Saskatchewan, acreage is down to 4000-4500, half of what it was a few years ago.

Good operators achieved yields approaching 2 tons, grading at #1 and some premium. Hay is being purchased by plants in Russell and Dauphin.

In irrigation districts in central Saskatchewan, timothy acreage was approximately 7500. The first cut was delayed by poor harvest weather, although yields were good at approximately 4 tons per acre. Quality suffered due to the rain, with about one third of the first cut obtaining higher grades and the remainder obtaining Utility grade or less. Due to the late harvest

### **Alberta Hay Summary 2004**

*Arvid Aassen, AAFRD-Statistics & Economic Development Unit, Edmonton*

Hay yields across the province were above the 10-year average with quality ranging from poor to excellent. The highest quality hay was produced in irrigated areas but dry land producers who managed to time their harvest had excellent quality as well. In general, rains in late July and August seriously affected quality with a lot of poorer quality hay being put up in August.

Hay listed from \$50-\$125/ton with good second cut hay fetching the highest prices. Good first cut hay with no or very little rain damage was selling for \$60-\$75/ton.

There was more silage and green feed this year with yields higher than the 10-year average.

Pasture conditions going into the fall are rated as 11% poor, 45% fair, 41% good and 3% excellent.

in 2004, 50-60% of fields will not produce a second cut.

Looking down the road to 2005, feed supplies are adequate across the province at this point, and many areas have good soil moisture levels, which bode well for starting the 2005 crop. Indications are that feed prices will be reasonable over the winter. Exactly what livestock producers need right now, to assist in keeping costs down in the continued uncertain market.

### **Manitoba Hay Report**

*Roberta Currah, Manitoba Forage Council (reprinted from eHay Weekly Oct.4 ,2004)*

Hay producers in parts of Manitoba were battling wet conditions this summer, according to Roberta Currah, executive director of the Manitoba Forage Council. "Rain amounts were somewhat varied across the province. Overall, our first cutting was one of the best," she reports. "There is lots of hay available, but the quality is somewhat variable". Some of Manitoba's hay producers managed to harvest third cuttings.

Currah was promoting Manitoba hay at the World Dairy Expo. "This is a great show for us to attend," she says. "It is an excellent place for our producers to make contact with customers looking for quality hay." Currah says the border closure preventing Canadian cattle from entering the U.S. is an issue with which many Canadian producers are struggling. "Fortunately, we have a lot of hay in the province to help deal with the issues associated with feeding the extra cattle," she states.

Learn more about the Manitoba Forage Council by visiting

<http://www.mbforagecouncil.mb.ca>

## **Montana Hay Report**

*Joel Flynn, Townsend, MT  
in Hay and Forage Grower,  
eHay Weekly Oct. 11, 2004*

In Montana, hay demand will probably exceed supply. Production from irrigated crops was excellent this year whereas southern and eastern parts of the state were abnormally dry. There is a shortage of high quality hay which is leaving dairies and

horse owners really scrambling for hay. There is an adequate supply of feeder hay, but even a fair market demand for that type of hay. Opportunity exists for hay producers if you have high quality hay, either fairly high Relative Feed Value (RFV) dairy hay or good, green horse hay.

## **Ducks Unlimited Canada 2004 Standing Hay Tenders**

*Trevor Plews, John Trevor, DUC,  
Yorkton and Saskatoon*

Ducks Unlimited Canada allows hay cutting or grazing on selected parcels of wildlife habitat lands. This is done for stand management purposes and is done on a standing hay basis through an open tender process. The following is the summary of prices where there were several producers bidding for the right to cut hay on a specific property. These are therefore reflective of the market price in an area. Almost all of the DUC hay is a grass/legume mix or straight grass. In 2004, the two DUC offices where the most haying was done were Saskatoon and Yorkton.

In Saskatoon, almost all of the lands that were hayed were in the Allan Hills area southeast of the city. Bids were received on

a total of 20 properties comprising 2,328 acres. Hay prices offered ranged from \$4.10 to \$25/acre, with the average being \$13.95/ac.

In Yorkton, bids were received on a total of 16 properties comprising 1,689 acres. Hay prices offered ranged from \$9.62 to \$33.18/acre, with the average being \$13.56/ac. Two properties were harvested for greenfeed, which went for \$11.00 and \$16.00/acre respectively.

**Table 1: Ducks Unlimited Hay Tenders for Standing Crop - 2004 Yorkton and Saskatoon**

<b>Location</b>	<b>Acres</b>	<b>Price per acre</b>	<b>Price per ton*</b>
Yorkton	1,689	\$13.56	\$10.85
Saskatoon	2,328	\$13.95	\$11.16

\* Assumes an average yield of 1.25 ton/ac

### **2004 Market Outlook & Hay Prices**

*(to October 29, 2004)*

*Phil Curry, Saskatchewan Forage Council, Melfort*

Fall hay prices have softened substantially since the spring, to \$50 to \$60/ton (2.5¢ to 3.0¢ /lb.) for good quality alfalfa or alfalfa/grass hay. There is surplus hay in many areas and lots of frozen crop. Quality is extremely variable and estimates are that only about 1/3 of the 2004 hay crop is in good to excellent condition and was put up dry. There are reports of some good quality 2<sup>nd</sup> cut hay in some areas. There is still a good market demand for good quality hay. There is a large amount of poorer quality hay that is available that is being priced at \$40/ton (2.0 ¢/lb.). There is very little movement of hay, however, and producers are using up whatever hay stocks they have on farm or can access locally.

Good quality greenfeed is generally selling for \$45-\$50/ton (2.25 – 2.5 ¢/lb.). Straw is going for \$10-12/large round bale (800-900

lbs.). Silage prices at PoundMaker in Lanigan are currently at \$27/wet tonne (65% moisture) delivered to the pit. PoundMaker also offers a \$4/T premium to local producers. Silage prices delivered to Red Coat Cattle Feeders at Hazenmore are currently at \$33/wet tonne for cereal silage delivered to the pit. Red Coat also offers a \$5/T rebate back on alfalfa silage.

Prices for hay at the Sept.8, 2004 hay auction at *Vold, Jones & Vold Auction Co. Ltd.* (Ponoka, AB) are as follows:

- Grass/alfalfa or alfalfa hay (good quality)
- rounds (1200 lbs) – \$29.00-\$30.00
- small squares (50 - 60 lbs) - \$1.25 – \$5.00/bale (depending on size and quality)

October prices for hay F.O.B. plant from *Elcan Forage Inc.* (Broderick, SK):

- Alfalfa (excellent quality) - \$70/Tonne
- Timothy (premium)- \$165-\$170/Tonne
- Timothy (#1) - \$125-\$130/Tonne

### **Dehy and Timothy Report**

*Greg Sommerfeld, Elcan Forages, Outlook*

Harvest has stretched out this year due to delayed growing conditions. About one third to one half of the first cut hay crop was put up in good condition, but cool, wet conditions near the end of July and August resulted in a decline in quality. Plants are still looking for the best quality hay they can get.

Second cuts occurred on approximately 40 percent of the timothy; it was just too late for the rest. Almost all of the alfalfa was second-cut and yield and condition have

been good. Some of the alfalfa cut in June was almost ready for a third cut. A lot of the alfalfa was cut in September, a traditionally bad time to cut alfalfa and risk winter-kill. However, late summer moisture and good re-growth may minimize the risk of winter-kill.

The timothy market is looking good after a slow start. Product is starting to move and buyers are becoming a little more flexible on quality. Alfalfa cube sales will pick up with prices strengthening a bit as there is a shortage of good quality product.

The higher Canadian dollar, high natural gas and oil prices and higher shipping costs are

hurting the industry and are eating into margins.

## **U.S. Hay Production**

*U.S.D.A. Crop Report, Oct. 15, 2004*

Production of alfalfa and alfalfa mixed hay is estimated at 77.4 million tons, with yields at or above last year's level in all but seven states. Yields are expected to average 3.48 tons/acre, an increase of 0.24 ton/acre above average yields in 2003. Most of the Great Plains states had favourable conditions for hay production. Sufficient moisture in the spring favoured early season development, while frequent precipitation during the summer months aided growth. 22.2 million acres of alfalfa and alfalfa mixtures were harvested in 2004, down approximately 6% from 2003. Alfalfa acreage is significantly down in some of the Great Lakes states, notably Michigan and Wisconsin. Some of the reasons for this decline include higher hay yields and the abundance of soybean and corn silage. This will depress market prices for traditional hay. If any hay shortages do exist in the U.S. it may be in some of the western states, where drier conditions occurred.

Production of other hay (i.e. grass or other forages) is forecast at 88.5 million tons, up 10% from 2003. Yields are expected to average 2.25 tons/acres, 0.22 ton/acre above last year's average. Harvested area is 39.4 million acres, down approximately 1% from last year.

Some useful websites for marketing hay into the U.S. and market prices:

1. Marketing Hay by Nutritive Value and Weight – Texas A & M University  
<http://forages.tamu.edu/PDF/SCS 2001-09.pdf>
2. Wisconsin Tested Hay Auctions – Univ. of Wisconsin  
<http://www.uwex.edu/ces/forage/pubs/auction.htm>
3. National Hay, Feed & Seed Summary - USDA  
[http://www.ams.usda.gov/LSMNpubs/pdf\\_weekly/feedseed.pdf](http://www.ams.usda.gov/LSMNpubs/pdf_weekly/feedseed.pdf)

## **Montana Hay Prices**

*(Friday, Oct. 29, 2004)*

*Justin Lumpkin, USDA Market News Service, Billings, MT.*

Sales continue steady and demand remains moderate to good. Good demand for dairy quality hay.

Alfalfa: Supreme large squares - \$100/ton (\$U.S.); good to premium alfalfa for dairy interests - \$90/ton; good alfalfa in large squares (\$75-\$85/ton) and rounds (\$60-\$75/ton) in north central and northeast parts

of the state; premium small square bales for horse interests are selling at \$90-\$100/ton; good small squares - \$80-\$85/ton; fair to good - \$60-\$70/ton; fair - \$55-\$65. Good grass-alfalfa rounds - \$85/ton  
Grass: Premium grass in small square bales for horses are at \$100-120/ton. Good to premium small squares horse hay \$2.75-\$3.00 per bale (\$90/ton). Conservation Reserve Program (CRP) hay in large rounds \$60/ton.

**Alfalfa:** Lge. Rnd./Sq. - Good \$65-85  
- Supreme \$100

Small Sq. - Supreme \$90-\$100

Alfalfa/grass – Lge.Rnd./Sq. - \$85

**Grass:** Lge.Rnd./Sq. – Good \$60-\$75

Sm. Sq. – Premium - \$100-\$120

- Good - \$90

**Timothy:** Sm. Sq. - Premium \$135

*Alfalfa Relative Feed Value (RFV):*

*Supreme over 185; premium 170-185;*

*good 150 -170; fair 130-150; low < 130.*

*Grass Hay Crude Protein Scale: Premium  
over 13; good 9-13; fair 5-9; low < 5.*

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