

Saskatchewan Forage Market Report

As of January 2011



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1) Recap of 2010 Growing Season in Relation to Forage Production

During the July 2010 Price Scan, reports from around the province were all very similar. Most were anticipating above average hay yields due to the excess moisture during the spring and summer, however, quality was definitely a concern. As the summer moved on, the rain kept coming. Record annual precipitation levels were received in many areas of the province by the time September arrived. This excess moisture definitely increased forage yields, as hay land and pastures flourished. Well above average hay yields were realized in 2010 and many areas of the province experienced two to three times above average yields. Although yields were exceptional, quality would become an issue as many areas struggled to get hay put up dry. The continuous rain showers and high humidity made for very poor hay drying conditions. Much of the hay that was put up suffered from rain in the swath. The wet conditions delayed haying operations and caused many producers to cut later than normal resulting in very mature stands. There were even situations where re-growth had grown up around the wet swaths and as a result these swaths were left in the field due to excessive moisture damage. In some extreme cases, equipment could not even get onto the hay fields to cut because of the saturated soil. Thus, the 2010 growing season saw excellent hay production, but quality was compromised in many areas. Re-growth for second cut was also very good in many areas. Some producers did take second cuts, but others chose not to cut the re-growth due to concerns regarding the ongoing rain showers and in many cases opted instead to leave the re-growth for fall grazing and snow catch. Pastures benefited greatly from the excess moisture and in many cases grazing was extended late into the fall as a result. Stored ground moisture and carryover will benefit forage production in 2011 in many areas; however, some areas have concern of flooding this spring.

According to the yield estimates reported by the Saskatchewan Ministry of Agriculture Regional Forage Specialists, hay yields were above average in most areas for 2010. Most regions were consistently yielding double the area average. The excellent yields realized all over the province were a result of the widespread above average precipitation that most areas received. Based on these estimates, provincial hay yields were approximately 180% of the long-term average (Table 1).

Table 1. 2010 Saskatchewan Dryland Hay Yield Estimates (tons/acre)

Region	Report Date	Estimated 2010 Hay Yield	Long-Term Average for Region*
Tisdale	Sept 17	2.3	1.5
Prince Albert	Sept 17	2.5	1.4
North Battleford	Sept 17	2.5	1.4
Kindersley	Sept 17	2.3	1.0
Outlook	Sept 17	2.3	1.3
Watrous	Sept 17	2.0	1.3
Yorkton	Sept 17	2.0	1.5
Weyburn	Sept 17	2.5	1.2
Moose Jaw	Sept 17	2.8	1.1
Swift Current	Sept 17	2.0	1.2
Provincial Average		2.32	1.29

Source: SMA Regional Forage Specialists

*Long-Term Yields based on Saskatchewan Ministry of Agriculture Statistics, 1984-1997

The 2010 Final Crop Report estimates that topsoil moisture conditions on hay land and pasture is 21 percent surplus, 75 percent adequate, and four percent short (see Appendix A for the 2010 Hay and Pasture Topsoil Moisture Conditions map provided by the Saskatchewan Ministry of Agriculture). It also estimates that 98 percent of livestock owners have surplus or adequate feed supplies going into winter and that 94 percent have adequate straw supplies. The east-central region of the province shows the highest percentage of inadequate feed supplies reporting 7% of producers with an inadequate supply of hay, 10% an inadequate supply of straw and 6% an inadequate supply of greenfeed and feed grain. The north eastern, south eastern, and south western regions of the province are reporting 10%, 6%, and 5% inadequate supplies of straw, respectively.

As hay supplies were very abundant during the summer of 2010, average forage prices in late summer and early fall were relatively low across most of the province. These low market prices remained consistent throughout the fall and into winter. For example, asking prices for alfalfa/grass hay averaged \$56-59/tonne from September through to December. This can be attributed to the abundant supply of hay throughout the province and in neighboring jurisdictions. This abundant supply and lack of demand was also bolstered in the fall by late and frozen crops that were put up as feed.

Although there was optimism in the beef industry this fall and there is continued optimism going into the spring, it appears that feed supplies are so much greater than the demand from the beef industry that forage prices will remain affordable into 2011. Cattle numbers in Saskatchewan are down again this year (3.1 million head July 1, 2010 as opposed to 3.31 million head July 1, 2009 – Statistics Canada). It appears that some cattle producers are taking the opportunity with strengthened market prices to liquidate their herds. The upward trend of the beef industry and the optimism following it is anticipated to eventually result in the retention of females and inevitably an increase in cattle numbers leading to an increased demand for forage. How quickly this herd rebuilding will occur is the unknown factor; however the current situation is still a reduced herd and therefore a reduced demand for forages.

Due to the mild weather conditions in October and November, many producers were able to take advantage of the late growth and carryover from the summer and graze livestock late into the fall. Winter feeding was initiated in late November in some areas as frigid temperatures hit and cows were in need of conserved feed. In some areas in December, swath grazing was interrupted with freezing rain that covered the swaths and made grazing difficult, also initiating winter feeding. Although winter feed stocks are already being used, a long winter of feeding may not be enough to put a dent in the abundant supply that is in many Saskatchewan stack yards.

During this market survey, several of those contacted indicated that straw was not abundant in their area. They also indicated that farmers dropped less straw to be baled in their areas, possibly due to the late harvest and poor crop quality. As a result, straw prices have not seen the decline that other forage products have and some producers are having a difficult time sourcing straw locally.

In 2010, forage prices appeared to hit a market floor price in some areas. This is partially due to the fact that it costs an average of \$39-44/tonne to cut and bale forage (Saskatchewan Ministry of Agriculture), creating a bottom limit below which the majority of feed will not be sold. In some rare cases, where growers needed to cover expenses

and generate some form of income, hay has been sold under this floor price. In some circumstances good quality feed did generate a small premium, however, in most cases better quality feed simply created a demand rather than a price premium. Currently, it is very difficult to move poor quality feed. Also, some contacts reported that due to excess supply of feed locally they have had to deliver feed greater distances in order to sell it even at the depressed market value.

2) Field Pest Impact and Projections for Forages

Gophers (Richardson's Ground Squirrels) continue to cause problems on forage land in localized areas within the province, particularly with respect to forage crop establishment in the spring. The south west region and more recently the west-central region are generally the most affected regions. However, most areas in 2010 did not see the same population expansion as compared to 2009. This is mostly attributed to the fact that 2010 was extremely wet, whereas 2009 experienced dry conditions.

During the 2010 growing season, grasshoppers were not a significant problem due to the cool wet conditions - populations in most areas were reported to be less than in 2009. The 2011 grasshopper forecast predicts localized areas of infestations mainly in the west side of the province, however due to the low populations this past season, 2011 should see a reduction in populations from 2010 (see Appendix A for the 2011 Grasshopper Forecast map from the Saskatchewan Ministry of Agriculture). The majority of the province is expected to have a very low level of infestation in the upcoming growing season. Grasshoppers can affect perennial forage production and establishment through defoliation, most prominently when spring moisture conditions are low and the temperature is warm. However, most areas are going into spring with adequate to surplus topsoil moisture levels and dry conditions are very unlikely.

Although the alfalfa weevil was a problem in 2009 and appeared to be extending its Saskatchewan distribution, the conditions in 2010 were not favourable for infestations of this pest. The cool wet conditions through 2010 saw decreased alfalfa weevil populations in most areas with limited impact for most Saskatchewan alfalfa producers. The main problem areas were in the south and south east regions, however even in these locations alfalfa weevil populations were reduced from prior years. Alfalfa plant bug was reported as a problem in several alfalfa fields in north east Saskatchewan.

For more detailed pest and disease information, please refer to Appendix B for the 2010 Saskatchewan Forage Insect and Disease Report presented to the Saskatchewan Advisory Council on Forage Crops on November 17, 2010.

3) Current Saskatchewan Transportation Costs

At the time of this survey, the transportation industry in Saskatchewan indicated that costs have climbed slightly due to increased fuel costs as compared to the average of \$5.41/loaded mile reported in the July 2010 forage survey. As seen in Table 2, rates average \$5.47/loaded mile or in the range of \$115/hr for short hauls. Companies not

using an hourly rate indicated that they use a \$/bale rate or a flat rate for short hauls, which ranged between \$4-6/bale or \$300-350 respectively. Transport companies noted that if fuel costs continue to rise, inevitably transportation rates will follow.

Several transport companies noted that business this fall was extremely busy due to the abundance of feed supplies to haul. The hauling of hay was later than normal because of the late haying season. There have been several indications of hay still sitting out in the fields, especially in the north eastern and east-central regions. Access to get these bales is being limited due to the deep snow and a saturated surface that has not frozen due to the snow insulation, making getting on and off the fields near impossible. Most areas have abundant local feed supplies resulting in shorter hauls. Some longer hauls have been going to Alberta, but these are minimal. For the most part, there is not a lot of movement of hay out of Saskatchewan at this time.

Table 2. Transportation Costs for Forages in Saskatchewan

Location	Rate in \$/loaded mile (long hauls)	Rate in \$/hr (short hauls)
North West	5.00	
North East	5.50	110.00
Central	5.25	
Central	5.00	
South West	5.50	
South East	6.00	
South East	5.50	120.00
Southern	6.00	
Average	5.47	115.00

4) Current Saskatchewan Forage Prices

Table 3 reports the current price for various types of forages in Saskatchewan derived from this survey. Numbers presented are collected from various sources including the fall 2010 and winter 2010/2011 Saskatchewan Ministry of Agriculture Feed and Forage Listing Service, hay and straw listings in the Western Producer from September 2010, weekly through January 15, 2011, as well as contact with feedlots, auction marts and hay growers/brokers throughout Saskatchewan.

In general, sources contacted during this survey indicated that prices are very low. During the spring and summer the market outlook was uncertain because actual yields and quality were unknown. Prices in the July 2010 survey averaged \$87/tonne for baled hay and reflected a slight reduction from those of the January 2010 survey averaging \$90-100/tonne plus. However, after hay yields and quality were realized in later summer and early fall of 2010, prices were adjusted accordingly very quickly. The abundant supply across the province has resulted in an extremely reduced market price for forages. Prices for baled hay averaged \$52-67/tonne during this survey. In some cases a premium price is being paid above the average and can be attributed to exceptional quality or a sale to customers that trust the grower's product. Dairy quality alfalfa did average significantly more in the \$80-100/tonne plus range depending on feed value.

During this survey there were some cases where the buying or settled prices were higher than the asking prices. This may be attributed to the fact that some of the buying or settled prices were from purchases or sales made late summer. Since that time, prices have continued to do nothing but drop. The asking prices were primarily from September - January, so they have accounted for the drop in price that continued over the fall. Also, there were significantly more asking prices than buying or settled prices. This was likely because of the fact that there has been very little movement of hay in most areas, even though abundant supplies are available.

Table 3. Saskatchewan Forage Prices as of January 21, 2011

Forage Type	Buying, Asking or Settled price	# of Traders	Quantity (T)	High (\$/T)	Low (\$/T)	Weighted Average (\$/T)
Grass Hay						
	Buying	10	5,718	88	50	60
	Asking	21	5,402	77	34	53
	Settled	4	904	88	44	52
Alfalfa						
1 st Cut	Buying	2	1,727	77	65	67
	Asking	81	38,331	110	33	64
	Settled	2	1,572	66	55	65
2 nd Cut	Buying	2	486	88	80	86
	Asking	19	7,820	110	51	80
	Settled	3	1,085	120	80	99
Alfalfa Grass Mixed Hay						
	Buying	8	9,485	66	50	61
	Asking	124	52,695	95	33	58
	Settled	2	370	60	55	57
Organic Hay						
	Asking	7	1,430	77	47	69
	Settled	1	53	52	52	52

Greenfeed						
	Buying	2	706	72	62	68
	Asking	48	13,625	85	30	56
Clover						
	Asking	10	1,073	59	44	50*

Forage Type	Buying, Asking or Settled price	# of Traders	Quantity (T)	High (\$/T)	Low (\$/T)	Weighted Average (\$/T)
Straw – Cereal						
	Buying	8	3,785	61	30	42
	Asking	21	2,912	55	22	36
	Settled	2	28	40	30	35
Straw – Pulse						
	Buying	4	713	55	40	45
	Asking	7	1,513	55	35	42
	Settled	1	454	45	45	45

*Indicates simple average

Grass- Straight grass forage is less predominant than mixed stands of grass and legumes. However, auction marts in Saskatchewan seem to prefer high percentage grass hay (80-90% grass component) for young calves coming through their facilities and are reflected in the values shown in Table 3. The wide range of prices seen in grass hay is largely due to the variability in quality of this commodity. Auction marts commented that they try to source high quality grass hay (thus demanding a higher price), while other users (feedlots or cow calf producers) can often utilize the lower quality, lower priced types of this product in their rations.

Certified Organic Hay- There were several prices for certified organic hay found during this survey and all were within Saskatchewan. The increase in asking prices for certified organic hay as compared to previous reports may suggest that more growers are marketing this certified organic product. However, this market is still relatively small. The demand for organic hay is largely met by on farm supplies through seeded buffer strips and areas generally unfit to grow organic field crops. Clarity of organic forage and livestock production standards are still needed to create a stable, defined market for this commodity.

Greenfeed- There was significantly more greenfeed found on offer this year compared to 2009 across the province. This is likely due to the wet conditions this spring which pushed back seeding causing some producers to opt to seed greenfeed crops when it was too late to seed other crops. There were also annual crop acres that were unable to be harvested or were damaged by frost and were salvaged and made into greenfeed in 2010.

Clover- A few more asking prices were found for clover during this survey as compared to last year. Although, the total number of asking prices found was minimal, the increase in listed tonnes may suggest a slight increase in the use of clover as a forage source. Forage seed prices for clover have increased significantly, and this also suggests an increase in demand for clover as a forage species in the province.

Standing Forages- The July 2010 price scan possibly overestimated the value and demand for standing forages within the province. The average price for standing forage from that survey was \$30/tonne. With the market price for baled forage only \$20-30/tonne greater than standing forage, little remains to cover costs of cutting and baling (\$39-44/tonne, Saskatchewan Ministry of Agriculture). Also, once producers realized their yields during the summer, there was no need to source out extra hay acres. Producers contacted in August 2010 indicated that they had acres of standing forage that they could not get anyone to purchase for any price. Most producers had too much hay of their own to put up in the difficult wet haying conditions and did not need to source standing crop. In cases where standing forage was sourced, prices were between \$20-30/tonne depending on past agreements.

Silage- The July 2010 price scan captured the price of silage across the province based on a survey of feedlots. Some of the feedlots produce all their own silage on their own land. In July 2010, the feedlots surveyed predicted to price barley silage in the \$38-45/tonne range for 2010. At that time the price of barley was \$2.70/bushel, while the January 2011 barley price is reported at approximately \$3.50/bushel. As feed barley prices go up, the cost of barley silage generally increases as well. During the January 2011 survey, a slightly higher range was discovered for silage between \$42-50/tonne with an average of \$45/tonne. From consultation with several dairy operations it was discovered that alfalfa silage was priced lower at \$39/tonne and that this was largely reflective of the affordable price for alfalfa in the hay market.

Dehy Alfalfa- Production capacity continues to decline in western Canada. Alberta has seen a reduction in operational plants, as they only have one plant currently operating. Although forage acres have continued to decline due to high prices in the grain and oilseed sector, companies did not have trouble procuring forage acres this year because of the ample supply available. The average price paid for standing crop in 2010 was \$27/tonne. At this time, standing crop prices for 2011 are not available. Increasing energy and transportation costs continue to have a negative effect on this industry in Canada, as well as the continually decreasing cow herd numbers. However, demand for dehy product appears to remain strong in Asia and the UK, with new interest coming from the Middle East.

5) Regional Forage Pricing Trends

South West: Reports from sources in this area including the SMA Regional Forage Specialist indicate a surplus of hay. In some areas, straw is hard to come by. Alfalfa and alfalfa/grass mix hay is selling around \$30-60/tonne with the higher prices being paid for good quality hay. Many producers harvested nearly twice as much feed as they would in an average year (2 tons/acre) and as a result there is an abundance of baled forage. It is difficult to sell baled forages as very few producers are actually buying hay this year. However, producers with good quality hay are having much better luck moving it. With the abundance of poor quality hay in the area, producers may be able to market good quality hay for a slight premium in 2011. Going into 2011, most producers will have excess carryover and this will continue to suppress hay prices somewhat as supplies remain abundant. Moisture levels were excellent going into the winter and there is currently good snow cover. It is looking positive in terms of forage yields in the south west for 2011 as the good moisture conditions have excellent potential to translate into good forage yields.

South Central: The SMA Regional Forage Specialist in this region and reports from sources in this area indicate that there is a surplus of hay and that straw is in short supply in some areas. Most producers have abundant supplies of hay as production was well above average in this area (200-300%). Quality, however, may be an issue for some due to the unfavourably wet and late haying season. Hay is selling anywhere between \$40-80/tonne but is averaging around \$65-70/tonne in the area. There is a wide range being paid. Some producers are willing to pay slightly higher prices for feed within close proximity to save on transportation costs. There is also a slight premium for better quality hay, but that market is limited to the dairy and pleasure horse market for the most part. Moisture levels going into 2011 are good and this is anticipated to translate into good forage yields on both pasture and hay land. The abundant supplies and excess carryover that will be available in 2011 will keep hay prices below average until these supplies are used up.

South East: The SMA Regional Forage Specialist feels that trade is very slow. There is a surplus of hay supplies and there appears to be adequate straw in the area. Prices came down for hay through the fall and now are in the \$34-55/tonne range. Quality is variable throughout the region. Some bales remain in the fields. Going into 2011 soil moisture conditions are more than adequate and there is plenty of snow. Production in 2011 could potentially be very good if the weather cooperates. The SMA Regional Forage Specialist feels that forage acres may decrease slightly in 2011 based on the decrease in cattle numbers and depressed forage prices.

East Central: The SMA Regional Forage Specialist and reports from sources in the area indicate a surplus supply of hay. Due to the difficult hay conditions and the late harvesting, hay quality is marginal and good quality is hard to find. Straw appears to be in short supply and is hard to come by. Trade in this region is slow. Prices are in the \$60-80/tonne range for hay with the higher prices for good quality. Feed stocks should be adequate with above normal supply, however, a significant number of bales remain in the fields. The deep snow and saturated soil are making it near impossible to get machinery on or off the fields to get the bales. Flooding is anticipated in some areas as the ground is completely saturated and snow accumulations of two to three feet. Getting the hay crop off in 2011 could prove to be very difficult.

North East: The SMA Regional Forage Specialist and reports from sources in the area indicate surplus supplies of hay. Production was above average for most producers; however, quality was an issue. The excessively wet conditions made haying difficult and compromised quality. Some acres of hay land and pasture were affected by flooding. Many bales remain in the fields and will be very difficult to get off before spring due to snow cover. Prices for hay in the area are in the range of \$55-66/tonne, depending on quality. There is some movement of hay, as producers that were unable to get their hay put up due to excess moisture search for feed sources. It was indicated that more forage acres in 2011 may be lost to flooding. Straw is in short supply in some areas. Cow numbers continue to decline in this area as producers take advantage of strong prices in the cattle market. Forage acres in the area are expected to decline in 2011 because of flooding, low forage prices, and decreased cow numbers.

North Central: The SMA Regional Forage Specialist in this area reports a surplus of hay supplies and that straw supplies appear adequate. Most producers were able to put enough hay up to easily last the winter and with carryover remaining. Although quality does vary, most producers were able to put up some of their hay in good condition (~30%) despite the difficult haying conditions. The majority of the hay was of poor quality due to maturity or rain, and producers will have to supplement these lower quality feeds when necessary. Hay prices in the area are in the \$45-50/tonne range however, good quality hay may be higher (estimated at \$50-70/tonne). Trade is very slow. In some cases, the bales are still in the fields and will have to wait until spring to be taken off. In the fall, some producers were able to salvage annual crops by baling them for greenfeed. Some producers on the east side of the region struggled to find adequate straw to bale on their own farms and may have to source straw from neighbouring farms or other regions.

North West: Reports from sources in the north west including the SMA Regional Forage Specialist indicate a surplus of hay and adequate straw. Trade is slow and it appears that most producers were able to put up most of the feed that they need and more. Demand is weak. Average quality hay is selling around \$44-55/tonne in this area. Most of the quality is poor to fair with very little good to excellent. In some cases farmers were offering straw for free in the windrow just to get rid of some residue. The good moisture conditions going into 2011 are favourable for good forage yields, however, it was noted that the spring rains are always critical regardless of the fall situation.

West Central: In the west central region, the SMA Regional Forage Specialist and reports from sources in the area indicate that hay supplies are abundant due to the above average hay yields. Many producers took off almost double the hay crop (2-2.5 ton/acre) compared to normal. Quality was compromised due to the wet haying conditions with the majority of hay being poor to fair quality. Much of the hay put up was rained on several times before baling or else it was cut late and is high in fibre and not very high in quality. It is estimated that hay prices in the area are between \$40-60/tonne depending on quality, however, trade is very slow as most producers put up all the feed that they need. Although quality is down there are many options for producers to supplement this low quality feed with feed grains in the area. As a result, any premium paid for good quality feed is not excessive. Straw supplies appear to be adequate in the area.

6) Current Alternative Feedstuff Prices

Producers are always searching for low cost feed and forage options and alternatives to meet animal nutritional requirements. Alternative feeds derived from annual crop production or ethanol production may provide options for producers but these decisions vary from year to year. These feeds may be used to completely replace or supplement forages in cow/calf rations or in feedlots and backgrounding operations. In a year when forage quality is highly variable, producers may look to alternative feedstuffs to supplement lower quality forages. In general, prices for these commodities are based on the current market prices for forages and feed grains. Table 4 reports prices for various alternative feedstuffs.

Table 4. Alternative Feedstuff Prices and Availability*

Commodity	Price	Details	Availability
<i>Grain Screening Products</i>			
Screenings	\$113	#1 cracked wheat or durum	Some availability
Screenings	\$22	Light screenings, mainly chaff	Some availability
Screenings	\$63	Oat hulls	All contracted
	\$20	Loose, ground	All contracted
<i>Oilseed Products</i>			
Canola meal and pellets	\$238	36% CP	Some availability
<i>Legume Products</i>			
Alfalfa pellets	\$184	15-16% CP	Good availability
<i>Grain Screening Pellets</i>			
Grain pellets	\$141	12-16 % CP 63-80% TDN	2-3 week order wait at most facilities, good availability
Fortified grain pellets	\$153	12-17% CP 63-80% TDN with vitamin/mineral mix	2-3 week order wait at most facilities, good availability
<i>Ethanol Production Byproducts</i>			
Wet Distillers grains	\$39	33-35% DM 29-35%CP	Contact plants for availability
Dry Distillers grains	\$178	32-38% CP 69-76% TDN	Contact plants for availability
Distillers syrup	\$38	31% CP 82% TDN	Some availability

*Based on survey of companies in Saskatchewan as of January 21, 2011

Screenings- Grain merchants & large terminals generally have screenings contracted with feedlots or feed mills well in advance, leaving only small loads of this commodity available in most areas. Prices are very similar to last year.

Canola meal & Canola pellets- The price is based off of the price of soybeans and soybean meal and can fluctuate daily. The price provided in the report is significantly higher than last year. Most of this product is contracted into the USA dairy feed market, but small loads for local producers are available.

Alfalfa pellets- The price for these pellets is up slightly from last year due to the lower perennial forage prices. A standard dehy pellet, geared towards beef production, is readily available, but trucking costs often limit their economic sense. Primarily, dehy pellets are used by feed mills to go into specific rations.

Fortified grain screening pellets- The price of fortified grain screening pellets has gone up compared to prices from last year at this time. This is largely due to the increase in feed grain prices. Most processors of this commodity indicate that demand is steady and that supplies are adequate. Most suppliers estimate a two to three week wait for delivery of this commodity.

Feed Grains- Prices for feed grains have continually gone up since the summer. The price of corn has gone up drastically in the United States, and feed barley has gone up in Canada. Last year feedlots were seeing barley prices in the \$2.30-2.75/bushel range. Now they are seeing them up around \$3.50/bushel. As prices for feed grains have gone up drastically and prices for forages remain very affordable, there has been a decrease in feed grain use for livestock rations and an increase in forage use where possible. Some producers that have traditionally used feed grains to supplement hay when hay prices were high are now feeding more hay as supplies are abundant and prices are affordable.

A price survey in December 2010 showed feed grain prices as follows:

Feed Barley- December provincial average - \$154/T (\$3.35/bu)

Feed Wheat- December provincial average - \$172/T (\$4.69/bu)

Feed Durum – December provincial average - \$161/T (\$4.37/bu)

Feed Oats – December provincial average - \$214/T (\$3.31/bu for #2 or better)

7) Adjoining Jurisdictions Forage Price Trends

As transportation costs continue to limit the distance that forages can be moved, supply and demand for forages from the adjoining provinces and states will continue to have a minimal effect on the Saskatchewan forage market as a whole. Occasionally, however, demand from the northern US states dictates the forage prices in Southern Saskatchewan or likewise for the eastern and western areas of the province when demand is high in Manitoba or Alberta.

Most of the entire prairies within Canada saw abundant moisture throughout 2010, including parts of the northern United States. Production was good to excellent in most areas, including that of Alberta and Manitoba. However, there still were areas that missed out on the rain and, as a result, were in need of forage. The north western

region of Alberta was one neighboring area where this occurred. The drought that was experienced there was severe and was one of several droughts for the area in the past few years. This area has demanded some forage from the western region of Saskatchewan, but in minimal amounts as regions in Alberta had abundant supplies of forage. Reports from sources contacted indicated that very minimal amounts of forages in Saskatchewan are going into Alberta, Manitoba, or the United States.

Table 5 shows the forage prices from listings in Alberta, Manitoba, Montana and North Dakota. Prices from the Alberta government listing were taken only from the eastern side of the province and only from the western side of the province from the Manitoba government listing. Listings from Montana and South Dakota were taken only from the northern counties.

Table 5. Forage Prices in Adjoining Jurisdictions*

Forage Type	Alberta Listing	Manitoba Listing	Montana State Listing	North Dakota State Listing
Alfalfa	\$71-99/T (6 offers)	\$66-88/T (4 offers)	\$71-120/T (7 offers)	\$60-109/T (3 offers)
Alfalfa/grass	\$44-66/T (7 offers)	\$51-66/T (5 offers)	\$82-98/T (4 offers)	\$58-95/T (4 offers)
Grass	\$59/T (1 offer)	\$39-60/T (3 offers)	\$76-93/T (2 offers)	\$65-82/T (2 offers)
Straw	\$35-48/T (3 offers)	\$33-36/T (3 offers)	\$54/T (1 offer)	\$44/T (1 offer)
Greenfeed	\$55-73/T (3 offers)	\$66-76/T (2 offers)	\$71/T (1 offer)	\$76/T (1 offer)

*As of January 21, 2011. All prices converted Can\$/tonne.

The USDA weekly hay reports monitor settled prices for hay across auction houses in individual states. Table 6 shows the USDA prices for the week ending January 15, 2011 (www.ams.usda.gov/mnreports/).

Table 6. USDA Hay Prices

Forage Type	Eastern Wyoming	Central & Western Wyoming	Western South Dakota	Montana
Alfalfa				
Premium	\$87-120	\$98-109	\$82-109	\$142-163*
Good	\$76-87	\$76-98	\$65-87	\$65-77
Fair	\$71-87	\$65	\$44-54	\$50-60
Utility	-	-	-	-
Grass	\$76	\$65-71	\$60-76	-
Alfalfa/Grass	\$82	\$76-93	\$65-109	\$50-82
Straw	\$54-60	-	-	\$54
Timothy	\$171*	-	-	-
Greenfeed	-	\$60-82	-	-

All prices converted to Can\$/tonne. FOB stack in medium to large square bales and rounds unless otherwise noted.

*Small squares

Wyoming, South Dakota - trade and movement are slow. Demand moderate to good. Hay prices mostly steady. Supplies very short in central and western Wyoming, however, good supplies still available in western South Dakota.

Montana - hay prices continue steady to weak with limited current sales reported. Demand moderate to good. Majority of ranchers starting to feed hay earlier than normal and in larger amounts as winter conditions in most areas are above normal. Majority of hay producers are currently delivering previously contracted supplies.

8) 2011 Provincial Forage Market Projections

According to the final Crop Report issued by Saskatchewan Ministry of Agriculture (November 4, 2010), moisture conditions on hay land and pasture are rated as 21% with surplus moisture, 75% has adequate moisture, and four percent is short. The east side of the province appears to contain the majority of the surplus moisture conditions, with the largest concentration occurring in the east-central and north eastern regions of the province. A localized area in central Saskatchewan appears to be the only area that is short on moisture. See Appendix A for a map of hay and pasture land topsoil moisture conditions.

SMA Regional Forage Specialists report that there have been very few calls regarding seeding of forages this fall. Over the past number of years one call a day during the fall is expected. Sources across the province have noted that forage acres are expected to decline for 2011 due to flooding, a decrease in livestock numbers around the province, and a depressed hay market.

SMA Regional Forage Specialists agree that there is potential for more greenfeed to be planted in 2011. Many areas are going into the spring with saturated soils and a few spring rains could push back seeding drastically. This is a difficult prediction to make as often the decision to seed greenfeed crops is made after the early spring weather is accounted for. As always, late seeded crops that do not make grain by fall frost, or damaged crops may be made into greenfeed as a last resort to salvage the crop.

9) Forage Seed Prices

Table 7 contains an inventory of commonly purchased forage seed prices compiled by surveying the major retail companies in the province. Three classes of forages are presented: grass, legume and native species. All prices are for certified #1 seed unless otherwise stated.

Two of the retail companies recently (December, 2010) revised their prices for native seed however the others are still working off the price sheet from early 2010. These retailers felt that there would not be a large change in native forage seed prices for 2011.

For more on the forage seed industry, please refer to Appendix B for the 2010 Seed Production Committee – Industry Report presented to the Saskatchewan Advisory Council on Forage Crops on November 17-18, 2010.

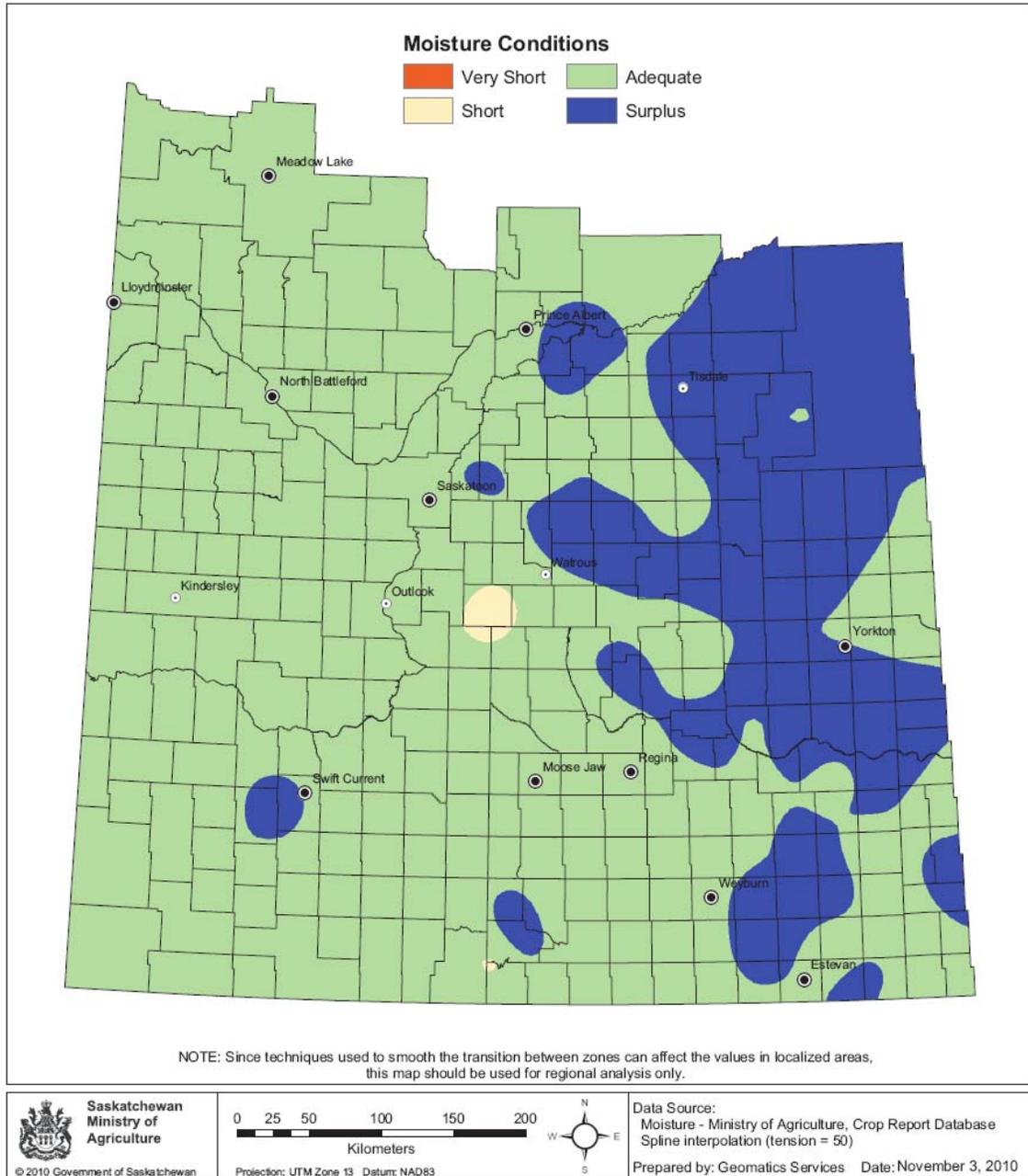
Table 7. Forage Seed Prices in Saskatchewan as of January 21, 2011

Class	Species	Average Price \$/lb	High	Low
Grasses	Carlton Smooth brome	2.24	2.47	2.09
	Smooth brome (common)	2.11	2.31	1.99
	Fleet Meadow brome	3.04	3.09	2.98
	Meadow brome (common)	2.89	2.89	2.89
	Hybrid brome	3.55	3.61	3.39
	Russian Wildrye	4.96	4.99	4.89
	Tall Fescue	2.57	2.69	2.39
	Fairway Crested wheatgrass	3.02	3.09	2.99
	Kirk Crested wheatgrass	2.93	2.99	2.89
	Crested wheatgrass (common)	2.69	2.69	2.69
Legumes	Alfalfa hay type	4.16	4.29	3.89
	Alfalfa pasture type	3.80	3.91	3.69
	Alfalfa (common)	3.32	3.69	2.99
	Cicer milk vetch	3.77	3.89	3.65
	Sainfoin	2.95	3.01	2.89
	Alsike Clover	2.36	2.48	2.29
	Sweet Clover	2.92	3.00	2.89
	Sweet Clover (common)	2.52	2.59	2.49
Native	Western Wheatgrass	4.71	6.65	3.16
	Northern Wheatgrass	6.94	9.30	5.25
	Slender Wheatgrass	2.53	2.59	2.49
	Green Needlegrass	5.37	5.67	5.15
	June Grass	27.50	32.31	23.50
	Canada Wildrye	7.97	9.30	6.50
	Purple prairie clover	30.08	35.88	23.37

Appendix A: Saskatchewan Ministry of Agriculture Forecast Maps
2010 Hay and Pasture Topsoil Moisture Conditions
2011 Grasshopper Forecast

Hay and Pasture Topsoil Moisture Conditions

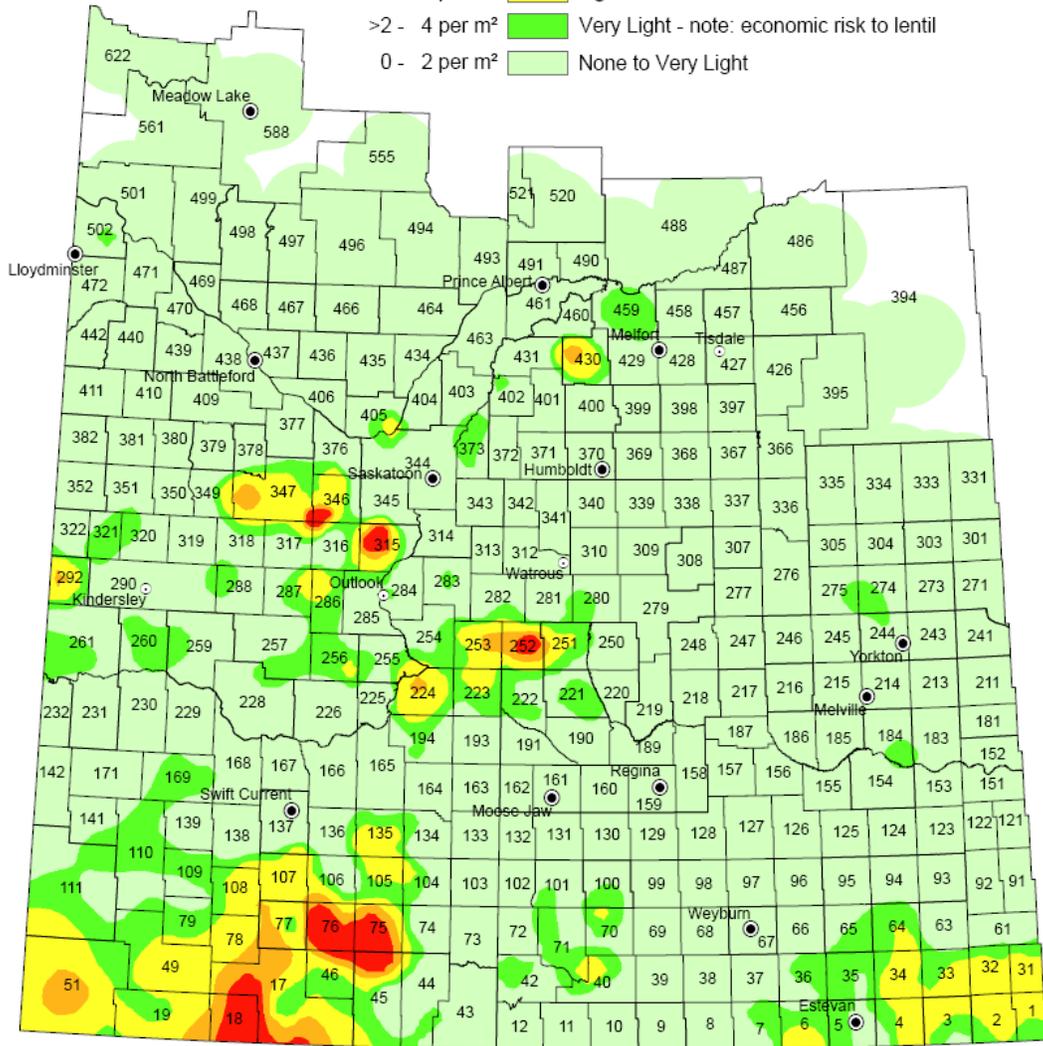
November 2, 2010



2011 Grasshopper Forecast

based on adult grasshopper counts

Infestation	Risk - Cereals
>12 - 24 per m ²	Severe
>8 - 12 per m ²	Moderate
>4 - 8 per m ²	Light
>2 - 4 per m ²	Very Light - note: economic risk to lentil
0 - 2 per m ²	None to Very Light



NOTE: Since techniques used to smooth the transition between zones can affect the values in localized areas, this map should be used for regional analysis only.

 <p>Saskatchewan Ministry of Agriculture © 2010 Government of Saskatchewan</p>	 <p>SCIC SASKATCHEWAN CROP INSURANCE CORPORATION</p>	<p>Data Source: Grasshopper Count - Saskatchewan Crop Insurance Corporation Field Staff</p> <p>Prepared by: Geomatics Services Date: November 29, 2010</p>
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Appendix B: Saskatchewan Advisory Council on Forage Crops Reports
2010 Saskatchewan Forage Insect and Disease Report
2010 Seed Production Committee – Industry Report

Saskatchewan Forage Insect and Disease Report

Submitted to the Saskatchewan Advisory Council on Forage Crops

Saskatoon

November 17, 2010

Excess moisture was the key factor affecting farming operations across Saskatchewan during the 2010 growing season. Rain and snow events in April and May impeded seeding. Surplus precipitation in late summer hindered harvest.

Insect development was delayed in the spring due to below average temperatures. Similarly cool, generally wet conditions affected insect development, particularly those that do best under dry hot conditions. Grasshopper populations, for example, were forecast to be on the increase but did not factor as a serious pest in 2010. Cutworms were one of the main insect pests in many forage and annual crops.

Conversely, wet conditions were favourable to disease.

Richardson's ground squirrels continued to be serious pests of crop and pasture. Although the southwest continues to be most affected, there are economic populations throughout most of Saskatchewan.

This report is compiled from the various identified sources.

2010 Saskatchewan Forage Insect Survey – Overview

Juliana Soroka, Agriculture and Agri-Food Canada

Saskatoon Research Centre, Saskatoon, SK

Insects, particularly the alfalfa weevil, have been of growing concern to alfalfa hay producers of Saskatchewan for the last several years. To determine the prevalence of insect pests in the crop, in 2010 the Saskatchewan Ministry of Agriculture and Agriculture and Agri-Food Canada teamed up to conduct a survey of alfalfa fields across the province. The intent of the investigation was to garner data on the prevalence of alfalfa weevil and other alfalfa insect pests in Saskatchewan. The weevil, a long-time pest in south western Saskatchewan alfalfa fields, has recently spread across the province and into Manitoba.

In the last part of June and first part of July, Ministry of Agriculture Forage Specialists sampled alfalfa fields in nine districts across the province by sweep net and visual inspection of stems. Insects were collected from 10 walking sweeps at each of 10 locations per field, using a standard 38 cm diameter insect sweep net. The insects were placed in plastic bags, and the 10 bags from each field were chilled and sent to Dr. Julie Soroka at the Saskatoon Research Centre of AAFC. The forage specialists also examined three alfalfa stems at each of the 10 sites per field for evidence of alfalfa weevil feeding. Dr. Soroka identified the insects and categorized them as pest, beneficial or other insects.

In all, 47 alfalfa forage fields and one alfalfa seed field were sampled in the survey. The excess moisture and generally cool growing weather resulted in excellent alfalfa growth and poor insect development over the season. Alfalfa stands were lush and pest insect numbers were low over most of the province this year. Even the highest alfalfa weevil numbers were much lower than the economic thresholds. Although some fields had

feeding damage on many or most of the stems sampled, there was little defoliation per stem, and it is unlikely that insects affected forage production in the province this year.

Alfalfa weevil was the dominant insect pest of alfalfa in five of the 48 fields sampled, primarily in the southern and south eastern regions of the province (Tables 1 and 2). The most commonly encountered insect pests were lygus bugs, which dominated the pest fauna at 18 locations, especially in the northern parts of the province. Lygus numbers, however, were low in almost all fields surveyed, and the insect was unlikely to be of any consequence to alfalfa forage production. Second only to lygus as the most commonly encountered pest insect, and generally much more abundant, was alfalfa plant bug (APB), the dominant herbivorous insect in 15 alfalfa fields, especially in the Tisdale and Kindersley districts. As a piercing sucking insect, APB is not generally considered a pest of forage alfalfa production, and economic thresholds for the pest in forage alfalfa are not known. However, heavy feeding by APB can stunt alfalfa growth and decrease fitness of the plant, and forage fields with high numbers of APB may need to be monitored, especially in drought years.

Leafhoppers were the most abundant pest insects in three of the 48 fields, possibly in association with grasses in the fields. And a variety of pests, including grasshoppers in the south west, pea aphids, mirids or small plant bugs, and sweetclover weevils were the principal insect pests of seven other fields.

The majority of fields had an array of beneficial insect species. Minute pirate bugs, efficient predators of pea aphids and other insects, were the most numerous beneficial insect in 27 fields, while an assortment of parasitic wasps dominated in 17 fields, and spiders were the most frequent predator in four fields. Other beneficial insects encountered were damsel bugs, lacewing larvae, ladybird beetles, syrphid fly larvae, rove beetles, dragon flies, big-eyed bugs, tiger beetles, and assassin bugs. *Bathyplectes curculionis*, a wasp which specifically parasitizes alfalfa weevil, was found in eight fields.

Sixteen samples of foliage submitted with the insects were found to have evidence of alfalfa blotch leafminer – either stippling of leaves made by female flies, or the actual mines and larvae of the miners. This insect reached the province from Manitoba about 10 years ago, and has been spreading west and northward since that time. The only districts not to have evidence of the fly were Tisdale and Prince Albert, suggesting that it has spread throughout most of the province.

The greatest numbers of insects found in almost all samples were flies, with numbers reaching as high as 36 flies per sweep. Most of these flies were not pest species (although some samples had formidable numbers of mosquitoes), but root maggot flies in the species *Delia* were found in several fields for unknown reasons.

The survey provided a snapshot of insect species and numbers present in forage alfalfa fields across the province. It is unlikely that insects were a production problem in 2010, but producers should be aware of their potential to cause economic damage in the future.

Northeast Saskatchewan: (reported by Clayton Myhre)

Insects

Diptera: Bromegrass seed midge levels were higher this year causing more seed yield loss than in 2009.

Coleoptera: Lesser clover leaf weevil which has been a problem in red and alsike clover the last few years was down in 2010. Only a few growers were reported to have sprayed to control the weevils.

Lepidoptera: Specimens of the **Red clover casebearer** (*Coleophora deauratella*) were found in traps set up in two red clover fields this year. This same pest has been causing yield loss in Alberta and insecticides appear to be ineffective in providing good control.

Hemiptera: There was a reduction in alfalfa plant bug and lygus bug pressure in alfalfa in 2010 with few growers making two applications for this pest.

Disease:

Disease seemed to be more prevalent in the red clover fields in 2010 turning some of the stems and eventually blossoms black. Alfalfa seed fields were sprayed up to 3 times for disease control.

Silvertop in grasses was reported to be at low levels.

Ergot was an issue in the brome grass with higher infections in some fields resulting in below average seed yield.

SASKATCHEWAN ALFALFA SEED PRODUCERS ASSOCIATION
2010 INSECT PEST RESEARCH REPORT

Title: Research on parasitoids and diseases in Saskatchewan alfalfa leafcutting bee populations.

Author: D.W. Goerzen

Problem:

The alfalfa leafcutting bee, *Megachile rotundata*, is an important pollinator of alfalfa for seed production in western Canada. Infestations of the chalcid parasitoid *Pteromalus venustus* are currently a problem in some alfalfa leafcutting bee populations. Another factor which may limit alfalfa leafcutting bee production is the occurrence of chalkbrood disease, *Ascosphaera aggregata*.

Objective of Research:

This research project is designed to evaluate parasitoid and disease levels in Saskatchewan alfalfa leafcutting bee populations, and to develop management strategies which will assist alfalfa seed producers in maintaining high quality alfalfa leafcutting bee populations in order to enhance alfalfa seed production and increase the value of the bees in export markets.

Summary of Results:

Occurrence of the chalcid parasitoid, *P. venustus*, was evaluated in the 2009 - 2010 winter survey of Saskatchewan alfalfa leafcutting bee populations. The parasitoid was detected in 0.80 % (range 0.00 - 5.40 % / sd 1.20 %) of bee cells analysed from individual samples submitted by Saskatchewan alfalfa seed producers (n = 108). *P. venustus* was present in 76.5 % of alfalfa leafcutting bee populations surveyed. Chalcid parasitoids have traditionally been controlled during the spring alfalfa leafcutting bee

incubation period with dichlorvos resin strips; dichlorvos has been implicated in alfalfa leafcutting bee mortality and this compound is also among the organophosphate insecticides under review by the PMRA and the EPA. Research is currently being undertaken to identify and evaluate alternative compounds which might be efficacious for control of the chalcid parasitoid, *P. venustus*, in *M. rotundata* populations.

Occurrence of chalkbrood disease (*A. aggregata*) was also evaluated in the 2009 - 2010 winter survey of Saskatchewan alfalfa leafcutting bee populations. The disease was present at an extremely low level in bee cells analysed from samples submitted by Saskatchewan alfalfa seed producers (n = 81), with no occurrence of the sporulating form of chalkbrood disease documented and with only 0.002 % of the non-sporulating form of chalkbrood disease noted overall (i.e. 1 non-sporulating chalkbrood cadaver in ca 51,000 alfalfa leafcutting bee cells evaluated). Paraformaldehyde fumigation and bleach dipping treatment of alfalfa leafcutting bee nest material / alfalfa leafcutting bee cells are two methods which will provide effective control of a broad range of microflora, including *Ascosphaera* spp., occurring in alfalfa leafcutting bee populations.

Continuing Research:

Research to monitor parasitoid and disease levels in Saskatchewan alfalfa leafcutting bee populations, and to develop strategies which will assist alfalfa seed producers in controlling these problems, is ongoing.

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Forage and Turf Disease Report for 2010

B.D. Gossen, et.al. (Michel Tremblay, Faye Dokken, Philip Northover)

General comments

Wet conditions during the spring and summer across large areas of the prairies resulted in an above -average forage crop, but hay quality is often low because of prolonged exposure to wet conditions when the hay was curing. The wet conditions were conducive for foliar pathogens, but there were no surveys in any region to document the extent of the damage. Occasionally, symptoms caused by frost, low temperature or drought stress were confused with diseases. Alfalfa seed production across large areas of the prairies may have been affected by late rains that made conditions conducive for blossom blight, but (again) no surveys were conducted.

Snow mold damage on fine turf was minimal. Infection was generally superficial and the turf recovered quickly. However, there were several reports of damage on golf greens that was likely associated with low-temperature injury that occurred before a substantial snow cover developed. Regular and significant rainfall events occurred throughout the growing season, making the harvest of good quality hay challenging. A number of factors contributed to reduced hay quality, including hay lying wet, allowing saprophytic fungal organisms to grow, further degrading palatability and feed value. Conditions in July were suitable for epidemics of blossom blight of alfalfa.

Forage samples submitted to the provincial diagnostic lab in 2010.

Turfgrass

Type	Pathogen	Common Name	Diagnosed
Bluegrass	<i>Bipolaris or Dreschlera</i>	Bipolaris Leaf Spot/Melting out Chemical	1 1
Golf green	<i>Fusarium avenaceum</i>		1
	<i>F. acuminatum or Pythium</i>	Root Rot or Leaf Blight	1
Lawn	<i>Nostoc</i> spp. (Cyanobacteria)	Witches Butter	1

Alfalfa	<i>Colletotrichum trifolii</i>	Anthracnose	3
	<i>Phoma sclerotoides</i>	Brown Root Rot	1
	<i>Phoma medicaginis</i>	Spring Black Stem	1
		Crown rot	1
	<i>Pseudopeziza trifolii</i>	Common Leaf Spot	4

SASKATCHEWAN ADVISORY COUNCIL ON FORAGE CROPS

Seed Production Committee – Industry Report

November 17-18, 2010

Submitted by Michel Tremblay, Chair, SACFC Seed Subcommittee

The forage seed crop was negatively affected by the extraordinary weather conditions that occurred in 2010. The spring began dry, but rains started in late spring and continued throughout most of the growing season. Temperatures were below normal for most of the season. The result of the excessive rainfall was a general lowering of forage seed yields.

Alfalfa yields were down in nearly all areas. Although there were some reports of good yields in some areas, most yields were in the 0-150 lb/acre range. Excessive moisture increased disease pressure in alfalfa crops, and weather likely impaired bee pollination. However, initial reports are that leafcutting bee reproduction was good.

Grass seed yields were generally below average. Bromegrass yields were decreased by high midge populations, ergot infection, and impaired pollination. Hybrid bromegrass was reported to yield in the 150 lb/acre range. Perennial ryegrass yielded approximately 10-15% below average. Crested wheatgrass yields in some cases were good, when grown in drier parts of the province. Timothy yields were down due to some fields not getting fertilized, and shattering losses that occurred when swathes laid in the field for extended periods.

Forage legume yields were variable. Sweet clover yields have been reported at 0-500 lbs/acre. Red clover yields did not reach expectations, and yielded 200-450 lb/acre (single cut).

Acreage of forage seed continue to drop, with estimates indicating that in some crop kinds, pedigreed acres are half of what they were five years previously. Prices are generally down 5-10% across the board. Prices for many dryland grasses are in the \$0.50-1.00 range.