A Synopsis of the Saskatchewan Forage Market Price Survey January 2016

A Snapshot of the Situation in Saskatchewan as at January 20, 2016

In the previous fall of 2015, forage prices in Saskatchewan rose dramatically due to cool and dry conditions which significantly hampered yields. Early concerns were somewhat alleviated, however, when late summer and fall rains fell and the Prairies experienced mild temperatures. Several annual crops were diverted into greendfeed which also reduced pressure on perennial forage supplies. As well, the extended fall season caused many producers to take a second cut of forage. In some cases, producer did risk the chance of winterkill in their stands. The mild fall and winter weather also allowed livestock producers to graze long into the winter in many parts of the province, thus reducing their reliance on stored forage.

Table 1. 2015 Saskatchewan Dryland Hay Yield Estimates (tons/acres)

Region	Date	Estimated 2015 Hay Yield (short tons/acre)				Supply
		Alfalfa	Alfalfa/Grass	Other Tame Hay	Greenfeed	
Southeast	Oct 29	1	1.2	1.1	1.6	adequate
Southwest	Oct 29	0.7	0.6	0.7	1.6	short to adequate
East Central	Oct 29	1.5	1.6	1.2	1.9	adequate to surplus
West Central	Oct 29	1.1	0.9	0.9	1.7	short to adequate
Northeastern	Oct 29	1.5	1.5	1.8	1	adequate to surplus
Northwestern	Oct 29	1.1	1	0.7	1.5	short to adequate
Provincial AVG	**Oct 29**	**1.1**	**1.1**	**1.0**	**1.7**	**Adequate**

Source: Saskatchewan Ministry of Agriculture, 2015

Forage yields were also lower in Alberta, although slightly higher in Manitoba, however overall, Canadian tame hay yields were at their lowest point in four production years according to Statistics Canada.

Table 2. Tame Hay Yields in Manitoba, Saskatchewan, Alberta & Canada, 2012-2015

Location	Harvest	2012	2013	2014	2015
Manitoba	('000 metric tonnes)	2,617	2,676	2,903	2,985
Saskatchewan	('000 metric tonnes)	5,121	4,990	5,012	3,642
Alberta	('000 metric tonnes)	7,711	7,589	7,258	4,971
Canada	('000 metric tonnes)	25,259	26,405	25,960	22,526

Source: Statistics Canada, 2015.

Prices generally softened as the fall and winter continued, compared with the values previously reported in September of 2015. One exception was straw, which increased in value from the reported fall price. January 2016 prices were higher for every forage category compared to prices reported the previous year in 2015.

Table 3. Average forage prices in Saskatchewan as at January 16, 2016.

Forage Type	High ($/Tonne)	Low ($/Tonne)	Weighted Average Price ($/Tonne)
Grass Hay	160.33	88.14	112
First Cut Alfalfa	176.37	140	158.18
Second Cut Alfalfa	165.00	165.00	165.00
Alfalfa/Grass Mix	176.37	80.00	135.92
Greenfeed	143.30	88.18	110.66
Straw	110.23	22.05	66.14
Organic	179.12	179.12	179.12
Barley Silage	64.00	44.09	52.93
Corn Silage	70	48.50	57.87

2015 Average prices

Forage Type	2015 Average Price ($/Tonne)
Grass Hay	87
First Cut Alfalfa	110
Second Cut Alfalfa	110
Alfalfa/Grass	70-108
Greenfeed	81
Straw	40-47
Organic	137-184

This is how it compares to 2015 prices!

Alternative Feedstuff Prices

The higher-than-normal cost of forages this past season prompted many producers to seek alternative feedstuffs and by-products to meet the needs of their livestock herds. Producers made use of commodities such as barley screenings, canola meal, alfalfa pellets, grain and screening pellets, malt sprout pellets and distillers grains to develop lower cost rations. Availability and price varied widely at plants across the province.

Outside of Saskatchewan

Conditions and prices remained similar in Alberta with reports of ongoing dry conditions. Many annual crops were converted to greenfeed which helped reduce demand slightly. Also, an unseasonably warm and dry winter helped to mitigate prices somewhat and alfalfa/grass hay was reported as being worth and average of $210/tonne. Manitoba also experienced a dry spring which actually resulted in fewer flooded hay acres and a subsequent slight increase in tonnage. Many Manitoba producers indicated they had sold forage into Alberta early in the fall, however the value of alfalfa/grass hay listings as at January, 2016 was approximately $92/tonne. Montana and North Dakota experienced a dry 2015 growing season however there wasn't a lot of feed that moved into the U.S. from Canada due to the strong domestic demand. At the time of reporting, the CAD was at an eleven year low, therefore it was a challenge to objectively compare prices. As at January 16, 2016, alfalfa/grass hay was trading for the equivalent of $183CAD/tonne in Montana and $130CAD/tonne in North Dakota.

Forage Seed Prices in Saskatchewan

Forage seed prices have increased noticeably compared to previous years and average prices were obtained from major forage seed companies in the province. As at January 15, 2016, the average price of Carlton smooth brome is $6.28/lb compared with $4.18/lb in January of 2015. Common meadow brome is currently priced at $6.56/lb compared with $3.92/lb in January of last year. Kirk crested wheatgrass was priced at $5.57/lb in January of 2016 compared to $3.99 in January of last year. Alfalfa prices have also increased, with 2016 prices reported as being $5.13 and $5.02/lb for hay and creeping root varieties respectively. This demonstrates an increase in price since 2015 when hay and creeping root varieties of alfalfa were valued at $4.25 and 4.15/lb respectively.

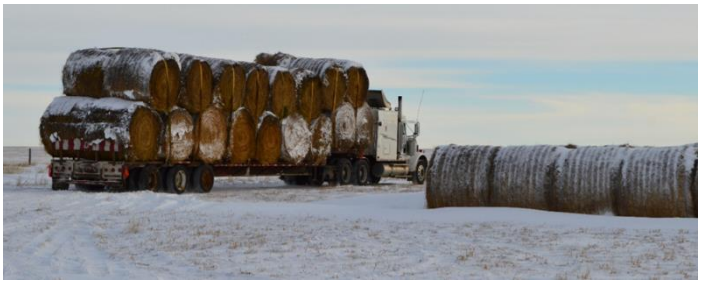
Native forage seed species have generally increased in price since the previous year, however the increases are moderate or minimal in some cases.

Forage Outlook for Saskatchewan

The 2016 Grasshopper Forecast map released by the Saskatchewan Ministry of Agriculture in October of 2015 showed that there is a low risk for grasshoppers across much of the province with the exception of two pockets near Meadow Lake and Big River. In southeast and east central Saskatchewan there is some concern about alfalfa weevils. Weather conditions in 2015-16 are reportedly similar as past years that had heavy weevil infestations, so weevil activity will continue to be monitored going forward.

The moisture outlook for Saskatchewan in the fall of 2015 indicated that most of the province had adequate moisture. This will give forage crops a good start in the 2016 growing season. The adequate topsoil moisture may also bode well for producers who plan on seeding tame forage that they postponed planting in 2015.

Across most regions of Saskatchewan, it was reported that producers would have adequate forage for the 2015-16 winter, however many suggest that there will not be a large surplus on hand at the beginning of this growing season. Concern over supply and availability as well as the threat of drought in the neighbouring U.S. and Alberta also may play a factor in forage demand and resulting prices in the coming season. As well, there have been several reports of producers looking to rent grass for livestock this season which may result in older forage stands being converted to grazing pastures. As well, there have been reports of perennial forage crops being converted to annual cropland, particularly in west central and southwest Saskatchewan, so that may play a role in forage availability in the coming year. In other areas such as east central Saskatchewan however, it is suggested that there may be forages seeded on land that has been too wet to seed in previous years, so again conditions vary depending on the region.



Special thank you to all of the producers, specialists, and forage traders who shared their insight on the forage market throughout the fall and winter of 2015-2016. We truly appreciate your assistance.

The full version of this report, including a review of conditions by region will be available at www.saskforage.ca