

ACX

for three generations ~ for ages to come

advisor



Autumn Edition



Ellensburg Division - PNW

The harvest season in the PNW has come to a close. Looking back on the 2013 crop year, severe rains damaged large portions of the Alfalfa and Timothy crop and prevented many suppliers from acquiring the volumes they wanted. As a result of the rains, good color will be difficult to come by as the year progresses.

We are currently seeing colder weather move into the area and we are hoping for good snowpack to bring the needed moisture to the area for irrigation. High temperatures are from the low to mid 30s with low temperatures below freezing.

The cold weather is increasing consumption in the feed yards and the clear weather is allowing local cattle operations to stay on the fields longer which help to conserve hay inventories.

Current stocks of clean and green alfalfa hay are very low on the farm and in the stack yards of the suppliers. Moderate supplies of lower grades are in firm hands, but most of that hay is stripy or rained-on.

Highlights

PNW – severe rains damaged large portions of alfalfa and timothy crop...

PMW – possible drought conditions through 2014...

PSW – harvesting operations have concluded in most areas...

Ellensburg Continued

Timothy has been short since July and will continue to be short until first cutting new crop is available in 2014. First cutting grades of fair and above are sold out. Top grades of 2nd cutting are also sold out. Some stacks of lower grades are still available but received considerable rain.

Corn Prices did not drop in time for many farmers to rotate into alfalfa because the winter freeze came before the farmers could react. This is going to leave alfalfa acres a little lower than most people anticipated for next year.

The mailbox price for milk is currently around \$20/CWT. It has been a long time since prices have been this high, so many dairies are taking full advantage and using the cash flow to secure more feed. This has added to the demand for premium quality alfalfa.

Outbound logistics have been a challenge over the past 3 months due to lack of equipment and overbooked vessels. It is very important for customers to plan ahead during the winter months due to mountain snow and possible road closures. Please contact ACX Ellensburg Division for sales and bookings.



Stockton Division - PMW

Harvest activities are completed for alfalfa and sudangrass in the PMW region and many farmers are now working on pre-harvest activities for competing crops.

Inventory is slim on all products, but inventory is building for wheat straw, rice straw, and corn stalks. There is some alfalfa in the extreme northern region, but farmers are holding firm on high prices. Some dry-cow hay is available and most high-test hay is either sold or priced very high. Exportable sudangrass is sold out.

There have been no significant weather events to report. The hype (and potential reality) of a drought in California, Nevada, Utah, and Idaho may become a reality if we do not see some snow pack in the sierras.

According to forecasts developed by the University of Colorado, dry conditions will continue in the 2013-2014 winter since neither El Niño nor La Niña will affect weather patterns. However, some weather models suggest much-needed precipitation in late spring of 2014.



Western U.S. Weather Update

An Arctic front is moving south and bringing snow throughout the Rockies and the plains of Montana, east Wyoming and east Colorado. Some rain showers are likely in central and southeast Arizona and the lower elevations of west New Mexico.

Temperatures should be 10 to 25 degrees below average with chilly conditions across California and below average temperatures across the Southwest. Highs will be in the 30s and 40s from the Northwest to north Arizona and north New Mexico and the 50s and lower 60s from California to south Arizona and south New Mexico.



Wilmington Division - PSW

Harvesting has concluded in most areas of the PSW. In the deep south areas of Arizona and the Imperial Valley, there continues some final cuttings and clippings; however, the quality is low based on our internal grades and the analysis is high enough that the dairies may take this product.

The weather has turned against us in most areas with rainfall in California and Arizona regions and rain-sleet-snow in northern areas of Utah and Idaho. This is making product movement somewhat problematic due to the inability for trucks to travel off-road into areas where stacks are located.

The weather has also reduced the amount of exportable alfalfa in the fields since these rains are the second, and sometimes third, showers to hit uncovered stacks. This lack of protection has effectively wiped out a significant amount of tonnage and has created inbound loading and trucking challenges in some of the areas.

Milk futures are in the \$18/CWT range. Dairymen are buying in a very conservative manner as they need hay. This has kept dairies in the market longer than normal, therefore creating ongoing competition for better quality product.

Logistically we anticipate the typical shortages of vans from now through the Christmas holidays out of Utah and Idaho. Movement from other areas is steady with periodic, brief interruptions due to weather which is not unusual.

The water situation is troubling for the farmers in most areas. The San Joaquin Valley continues to experience shortages. The Imperial Valley growers are very concerned about allocations and account balances between them and the metropolitan users of Colorado River resources.

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