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advisor



Spring Edition



Ellensburg Division - PNW

Hay being cut last week was more of a clipping or hay that either needs to be taken off due to weeds or because the field is planted to timothy. If planted to timothy, the alfalfa needs to come off and the field sprayed so Timothy can start to grow. Several growers would have started cutting but were delayed due to rain late in the week.

Next week we expect to see heavy cutting in the southern Columbia Basin. This hay looks excellent and is ready to cut. Growers are watching the weather and trying to properly time the harvest. The area will fall behind schedule if harvest is delayed any longer. Northern Columbia Basin harvest should start in two weeks.

Thus far only 400-500 acres are harvested and it has all sold at the stack for very high price. Some of the high price hay was for very high test Rabbit type hay. There is no exportable hay available in the market yet.

Domestic Dairies are anxiously awaiting harvest, and with their good financial health want to buy high quality hay. Dairies are expected to lead the open market.

Highlights

PNW – Early new crop has started in the Columbia Basin...

PMW – Water is a major concern for all hay crops...

PSW – Dairies are keeping alfalfa prices at an all-time high...

Stockton Division - PMW

In Nevada and Northern CA, the main story is weather with wide swings from above average temperatures to far below average temperatures with bands of snow and rain. This has slowed hay growth and may reduce first cutting yields.

The weather has given winter weeds a chance to start and grow ahead of the alfalfa with some fields showing a high population of weed contamination. With high hay prices and very short water supply, many farms in western Nevada have decided not to spray for weeds.

In Northern Nevada things look much better because the majority of farms are dependent on underground water. Farms have been irrigating for over a month and have diligently sprayed for weeds and most fields look excellent. Cutting should start in the last week of May.

Growers in the southern SJV are baling alfalfa. Many growers plan to irrigate only once more after the first cutting due to water shortages. The water they don't use for alfalfa will be used for permanent crops.

Hay harvest is going full speed in the northern SJV with warm weather and good drying conditions.

There is very little ryegrass on the market, but there is a lot being cut and in the windrow. Ryegrass quality might be below average due to heavy yields and some fields getting rain.

Lack of water is a big challenge for Northern California, Nevada, and SJV growers. Some landlords are reportedly taking water from leased land and selling it to municipal water agencies for large sums of money. California water allocations will be clear by the middle of May.

Sudangrass plantings are dependent on water. Southern SJV growers are trying to manage their water to the crop that will earn the most profit. There is more interest in sudangrass in northern SJV since water allocations were increased and it is too late in the season to grow anything else.





Wilmington Division - PSW

The early 2014 Alfalfa New Crop in the Pacific Southwest has been somewhat problematic due to lack of water. Drought conditions were slightly mitigated in some of the western growing areas, but severe drought conditions in the PSW have continued, especially in central and southern California.

This has resulted in reduced planting of new crop alfalfa and reduction of existing alfalfa acreage. Reservoirs are at extremely low levels, surface delivery of irrigation water through the various canal systems is significantly reduced, and ground water levels have fallen resulting in increased energy costs to raise the water from deeper levels.

In addition, some insect problems emerged prior to and during the new crop first cuttings. Heavy aphid infestations in Southern California and in Arizona took a heavy toll on the early cuttings. It is estimated that the earliest cuttings were reduced by nearly 50% due to the insect problem.

There is also considerable economic pressure on new crop alfalfa as milk prices have been quite strong. This has given dairies considerable economic strength. These western dairies are well aware of the short inventories of new crop alfalfa, and many dairies in central and northern California are positioned in places where there is actually no alfalfa available at all.

California dairies have used their economic strength and gone into almost every alfalfa market on the west coast to buy dairy quality alfalfa. In previous years these dairies would work the domestic market over the first half of the year seeking good price and quality. In the current crop year these dairies have aggressively sought to purchase all available alfalfa. This has resulted in strong upward price pressure on west coast alfalfa.

We expect to see continued strong competition for dairy quality alfalfa through the end of June and into early July. New crop first cuttings from Utah and Idaho in the next several weeks should provide some indication of market directions.

Western Drought - El Niño Update

California and Nevada are heading into an expected hot summer of continued water shortages. Most regions are either classified as extreme or exceptional drought with portions of both state's southern and eastern regions experiencing moderate to severe drought.

Sierra Nevada snowpack was at 13% of average for the May 1st final reading by California's Department of Water Resources. Most of California's major reservoirs are currently at half their normal pre-summer levels.

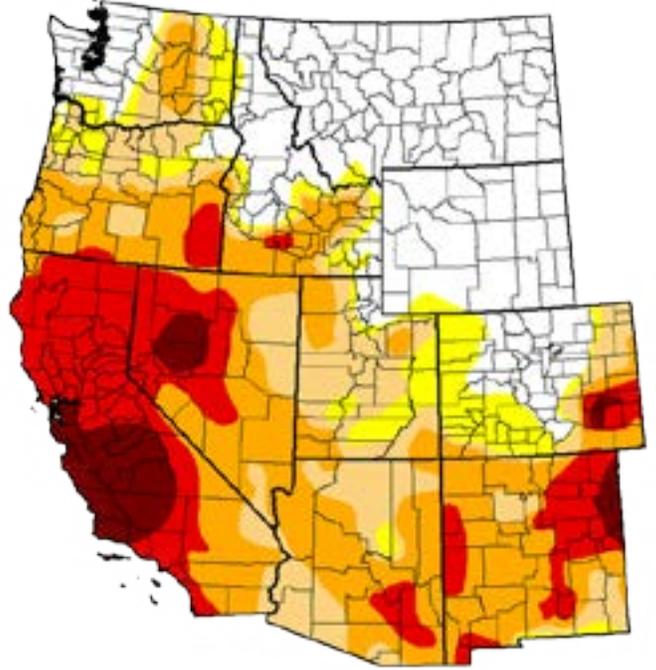
In recent days, the National Oceanic and Atmospheric Administration (NOAA) announced a 78% chance for El Niño developing next winter. An El Niño occurs when sea surface temperatures rise in the equatorial Pacific Ocean which affects the jet stream.

Typically, El Niño means more precipitation for California, but there is no guarantee. NOAA scientists will have a better idea of El Niño's impact within a few months.

While El Niño can bring drought relief, it can also bring catastrophic damage. Flooding and landslide disasters affected 35 of 58 counties in California during the last major El Niño in 1997.

El Niño rains in California also impact agriculture in other U.S. regions. For example, corn yields are usually lower than historic averages in the southeast and harvests of all crops are delayed by rain. In other areas, wheat yields are higher, but may increase Hessian fly populations.

While the Atlantic hurricane season is diminished, the Midwest tornado season is more active. While California receives more rain, the PNW weather tends to dry out. California tends to experience damage and reductions in crops the summer following El Niño.



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