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Jon Driver

AOF2020

Here to Help You Grow®

Old



New



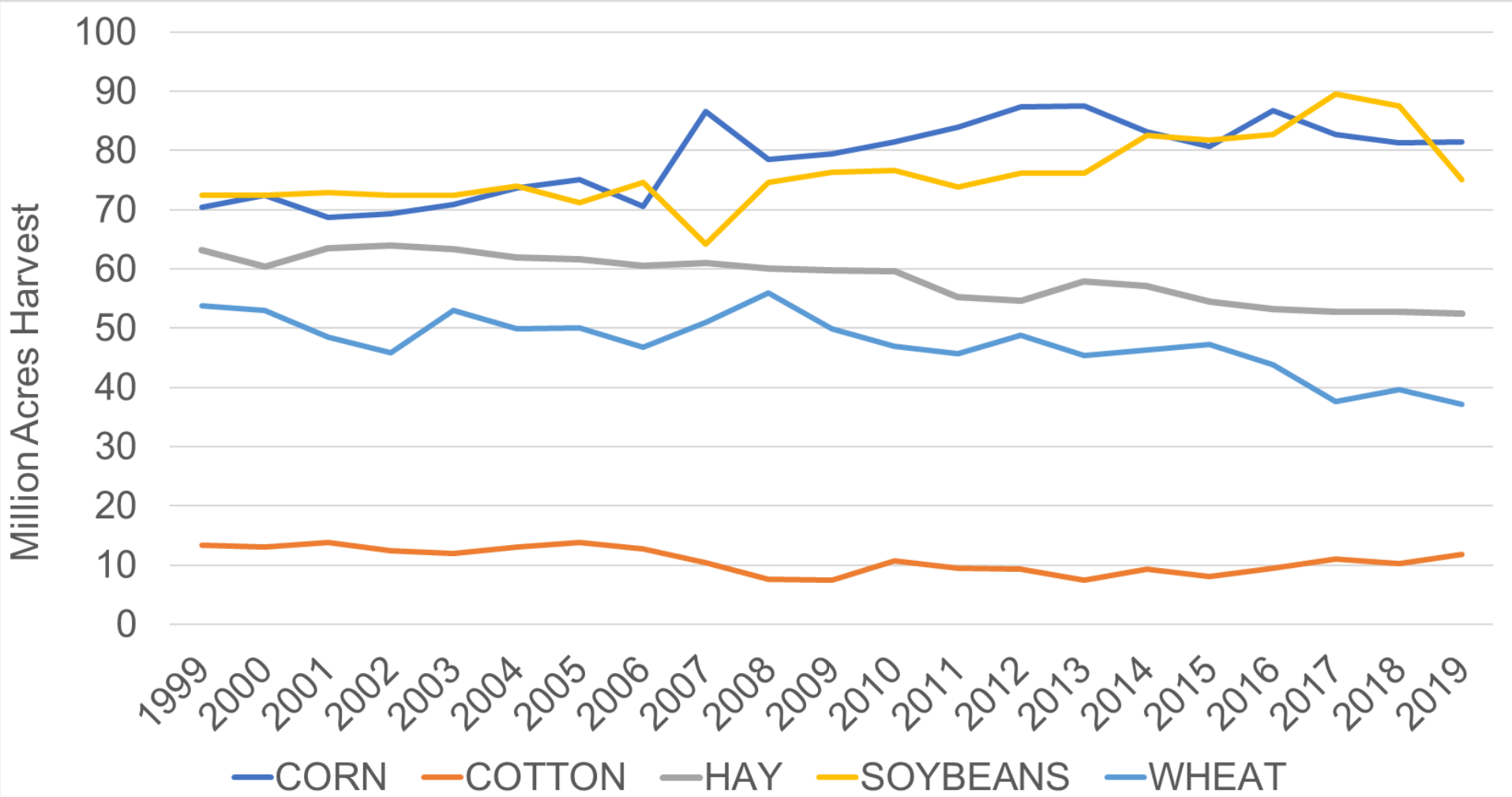
Big



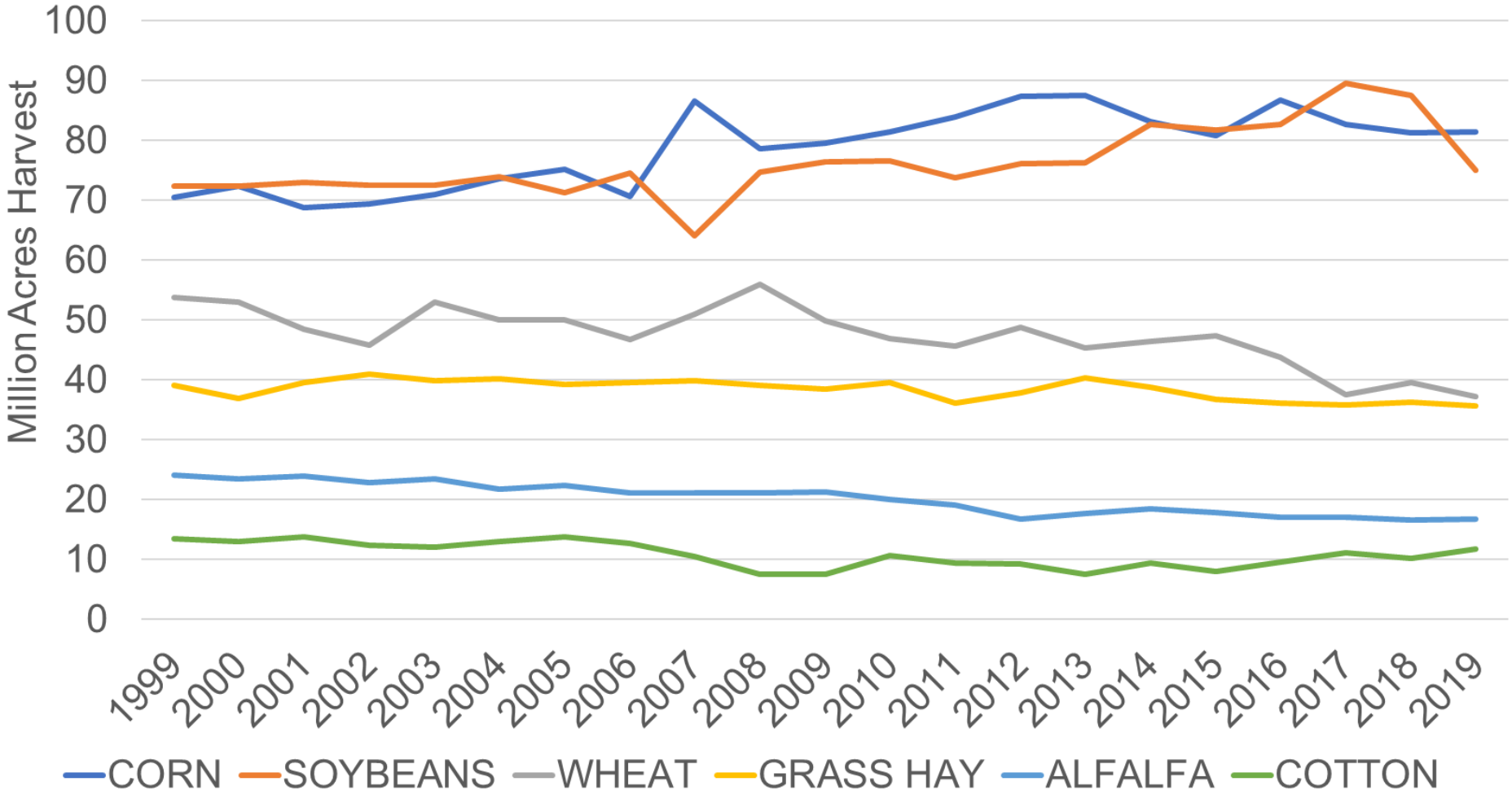
Big



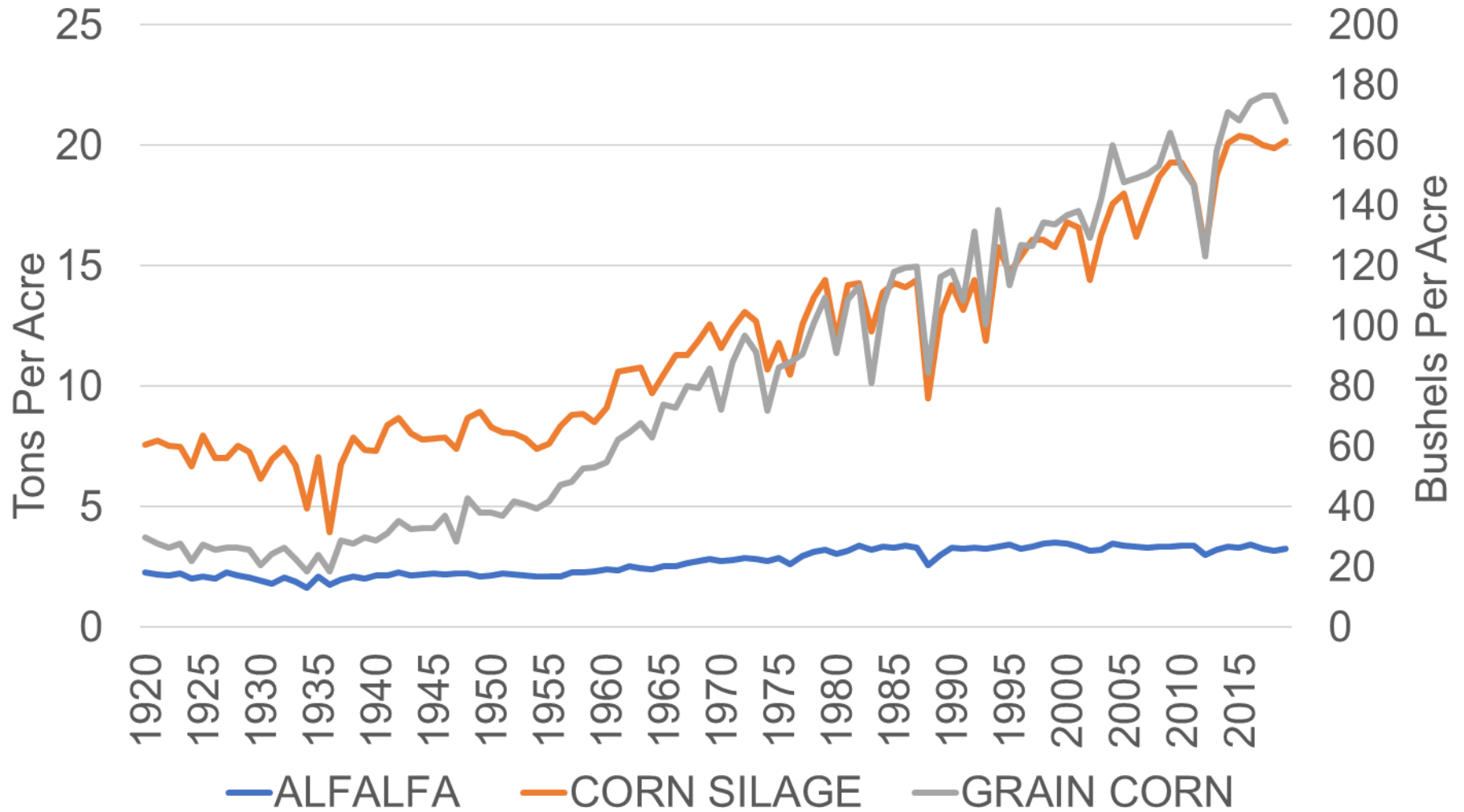
Acres



More Grass Hay than Wheat?



Productivity

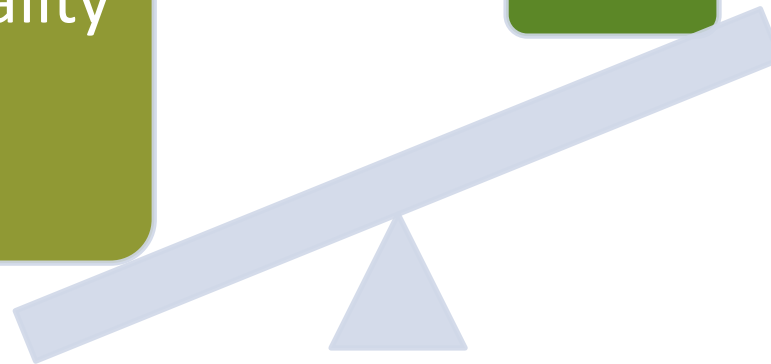


Quality

Slightly
Profitable

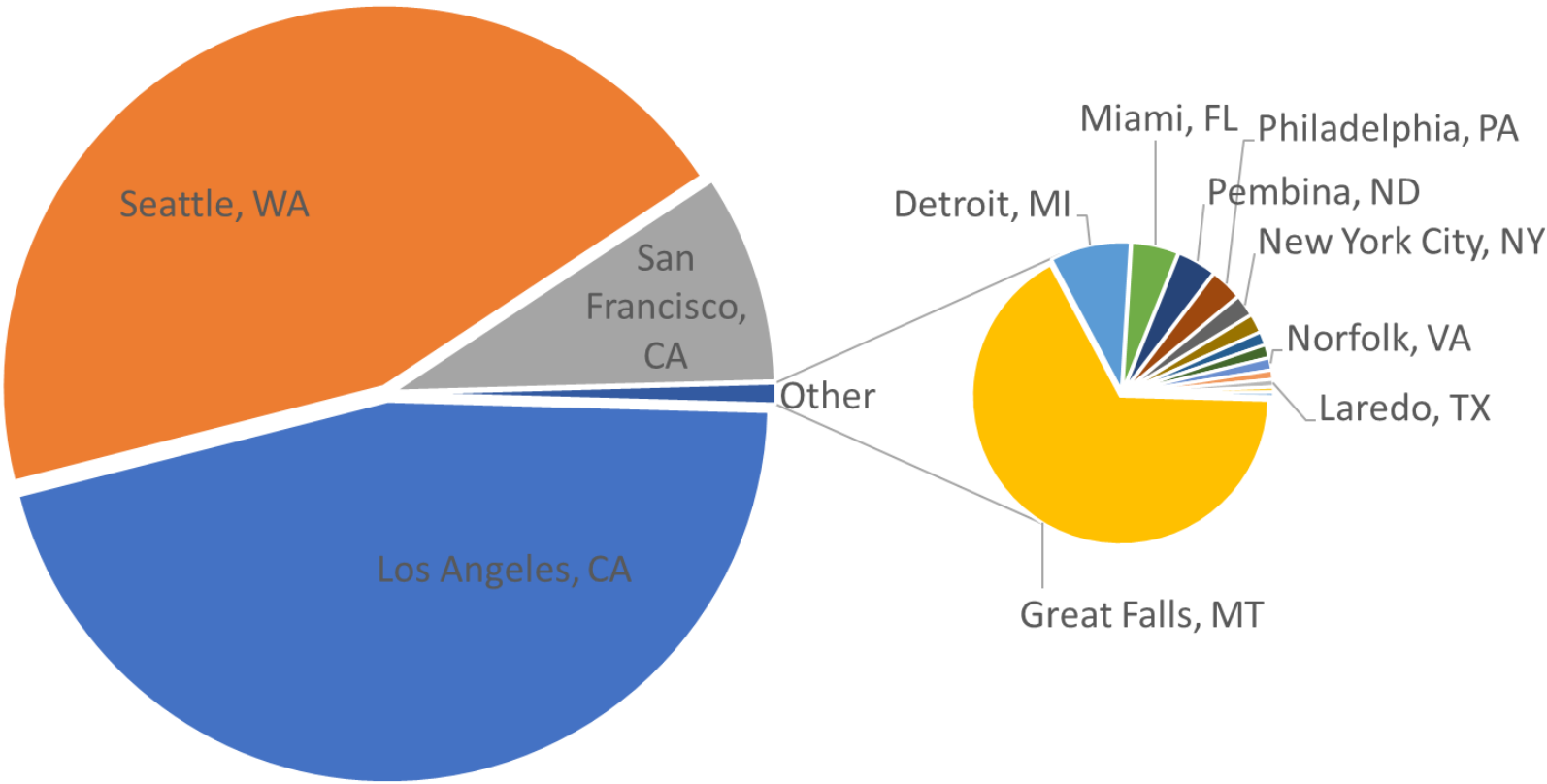


Profitable

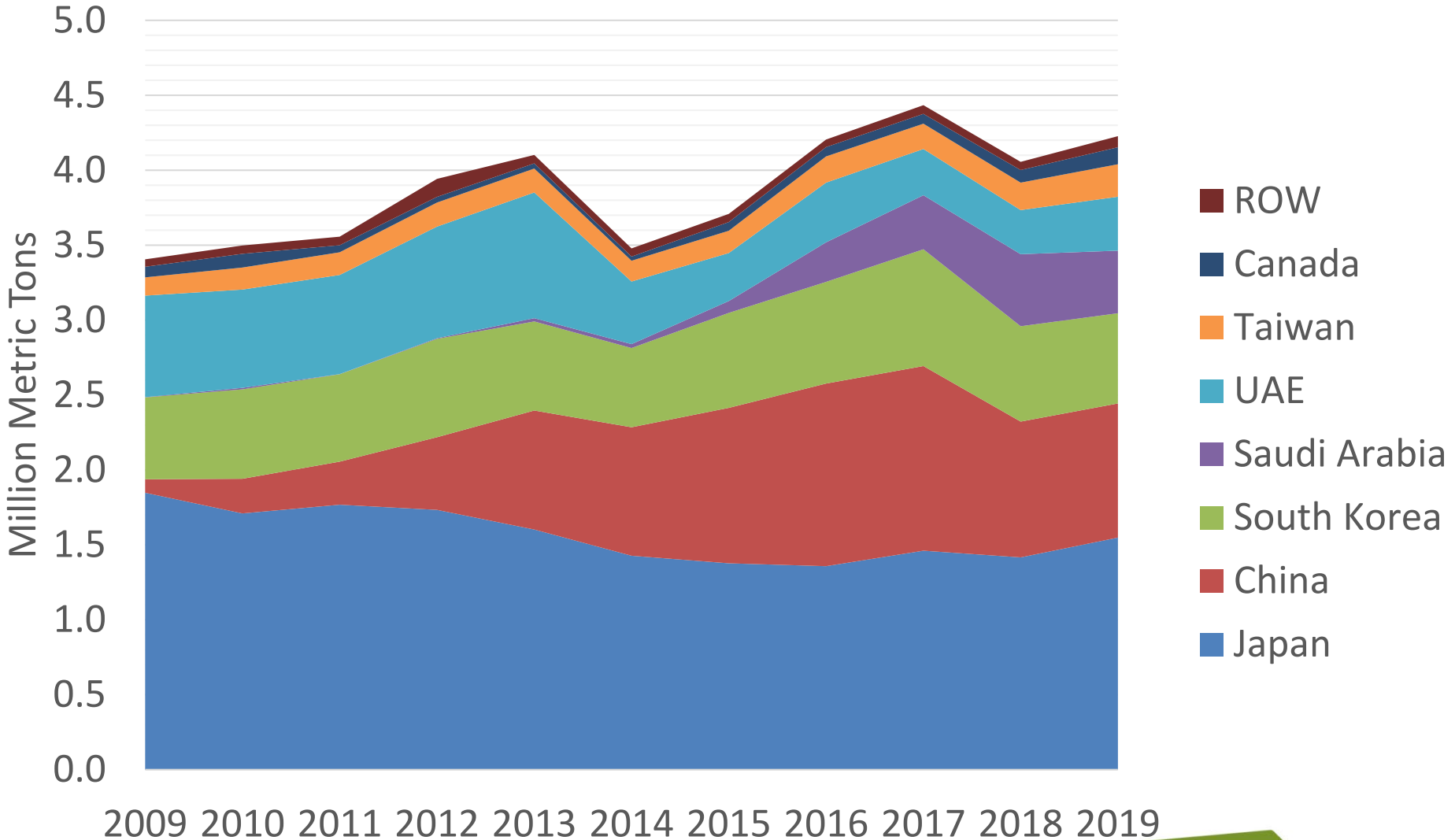


Export Hay Perspective

Total Exports



Total Exports



Source: Census Bureau

Northwest Farm Credit Services

Grass Exports

Grass Hay Trade					
Country	2017	2018	2019	18-19 Change (Metric Tons)	18-19 (% Change)
Japan	758,843	720,773	770,753	49,980	7%
South Korea	539,551	398,564	351,771	(46,793)	-12%
Taiwan	101,595	110,933	129,233	18,300	16%
United Arab Emirates	57,739	50,570	51,541	971	2%
China	24,247	16,648	19,549	2,901	17%
ROW	40,476	43,950	45,719	1,769	4%
Total	1,522,451	1,341,438	1,368,566	27,128	2%

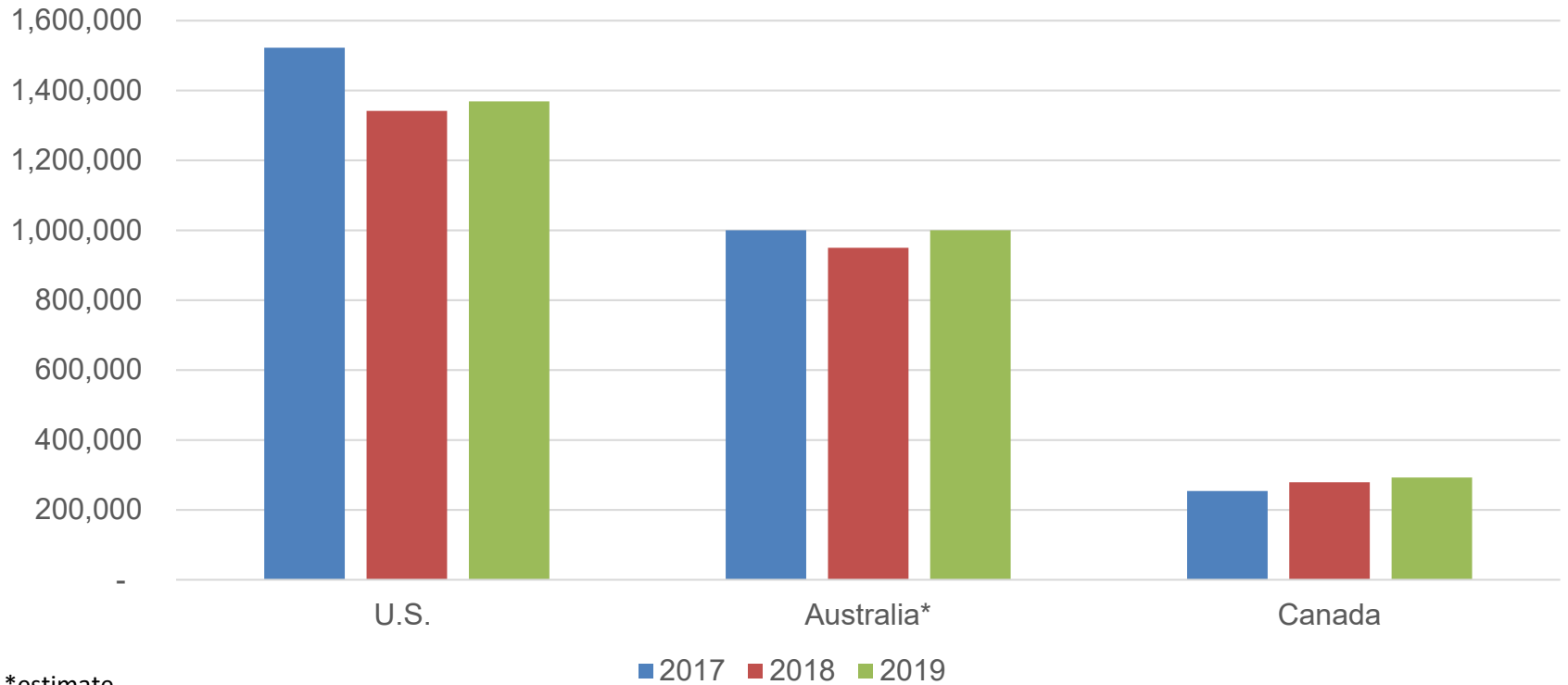
Alfalfa Exports

Alfalfa Trade					
Country	2017	2018	2019	18-19 Change (Metric Tons)	18-19 (% Change)
China	1,170,881	871,065	865,768	(5,297)	-1%
Japan	560,343	581,406	664,143	82,737	14%
Saudi Arabia	360,237	480,888	417,518	(63,370)	-13%
United Arab Emirates	247,766	240,519	302,955	62,436	26%
South Korea	200,071	221,257	241,998	20,741	9%
Taiwan	56,295	65,868	79,328	13,460	20%
Canada	40,999	44,728	46,134	1,406	3%
Qatar	1,045	4,201	13,489	9,288	221%
ROW	21,234	16,391	27,769	11,378	69%
Total	2,658,871	2,526,323	2,659,102	132,779	5%

China

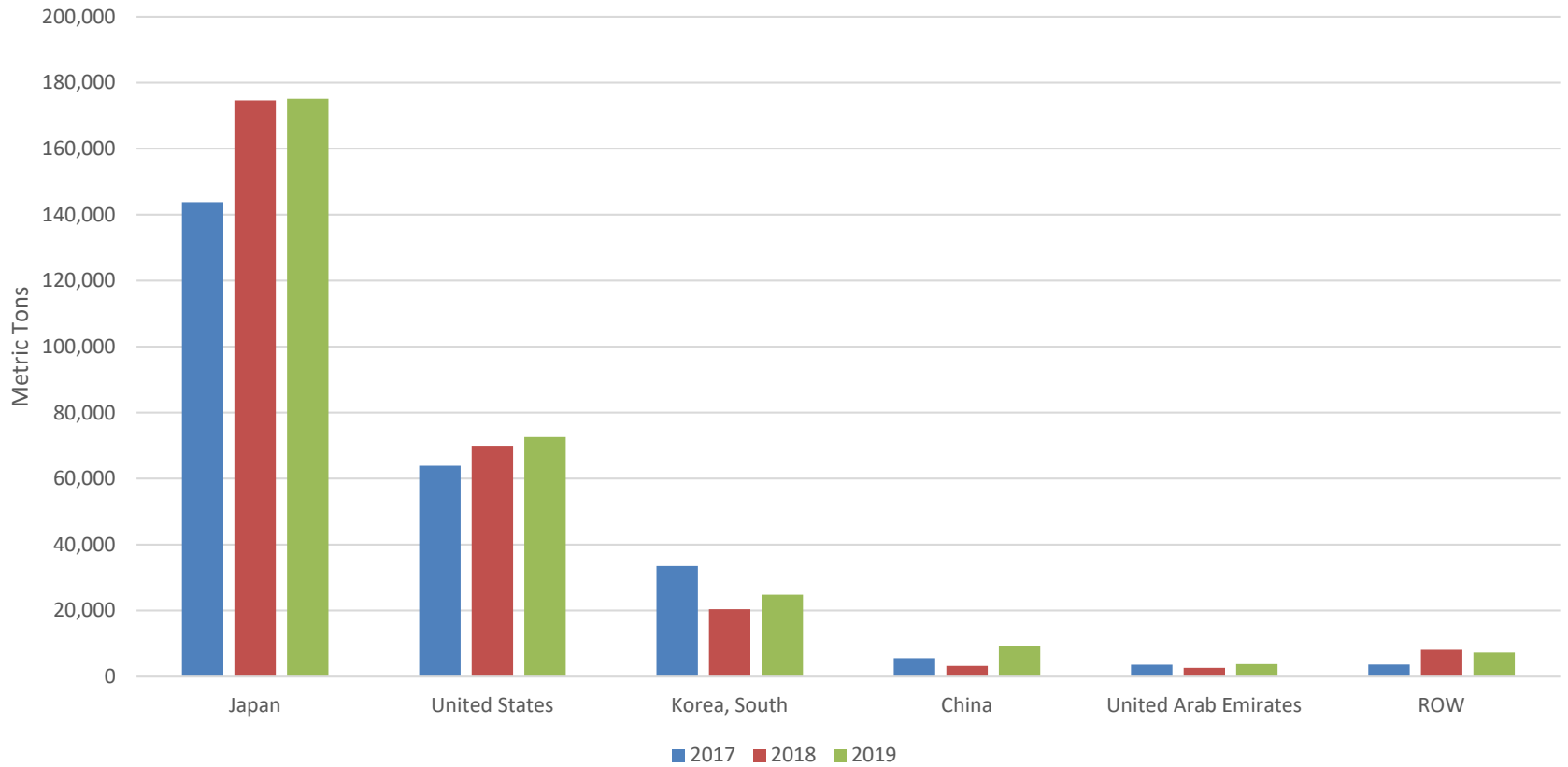
- May 14 deadline for export protocols
 - Almond Meal Pellets and Cubes
 - Alfalfa Hay and Pellets
 - Timothy

Grass/Oat Hay Trade



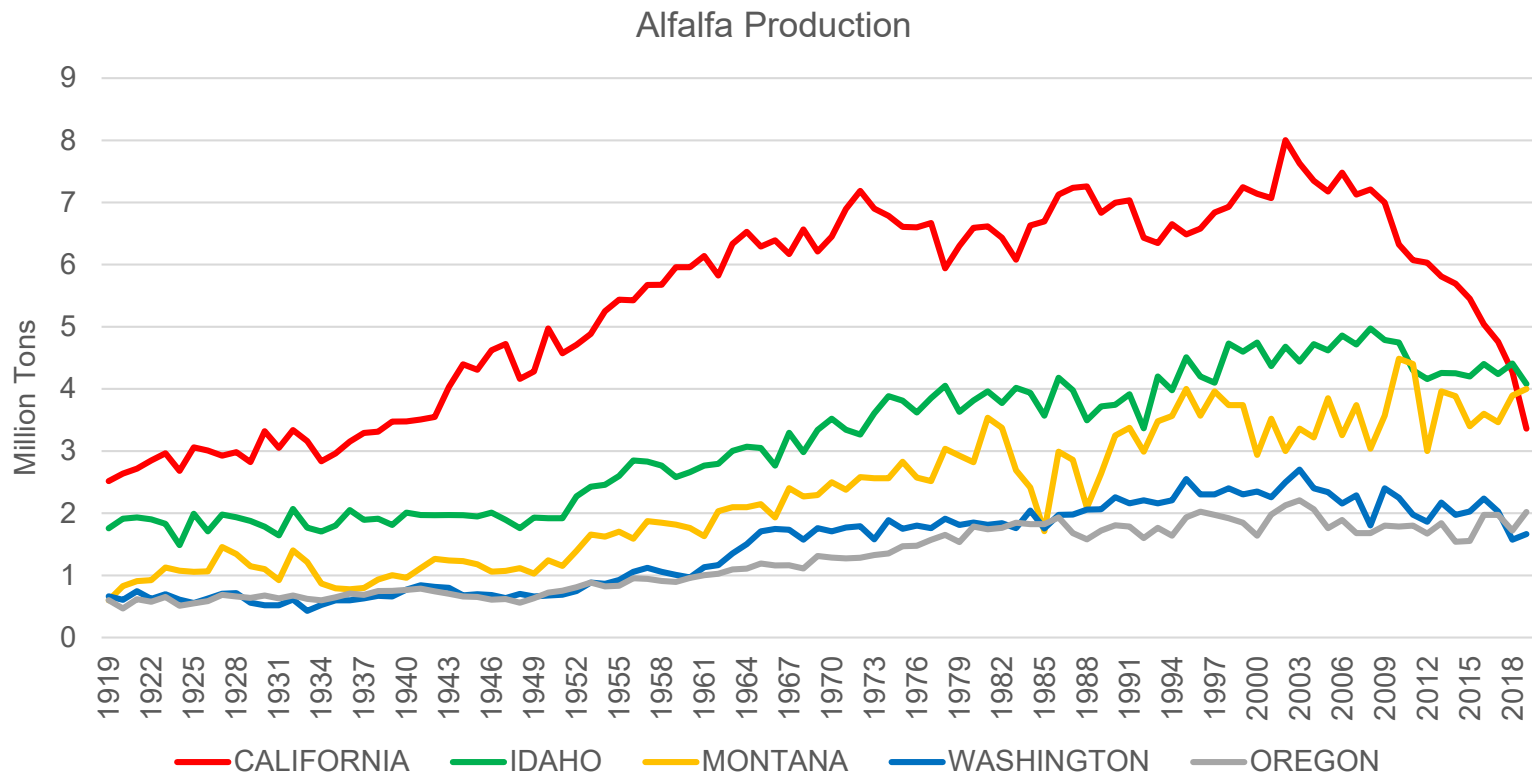
Canadian Timothy

Canadian Timothy Exports



California

– Lowest alfalfa acres since 1938



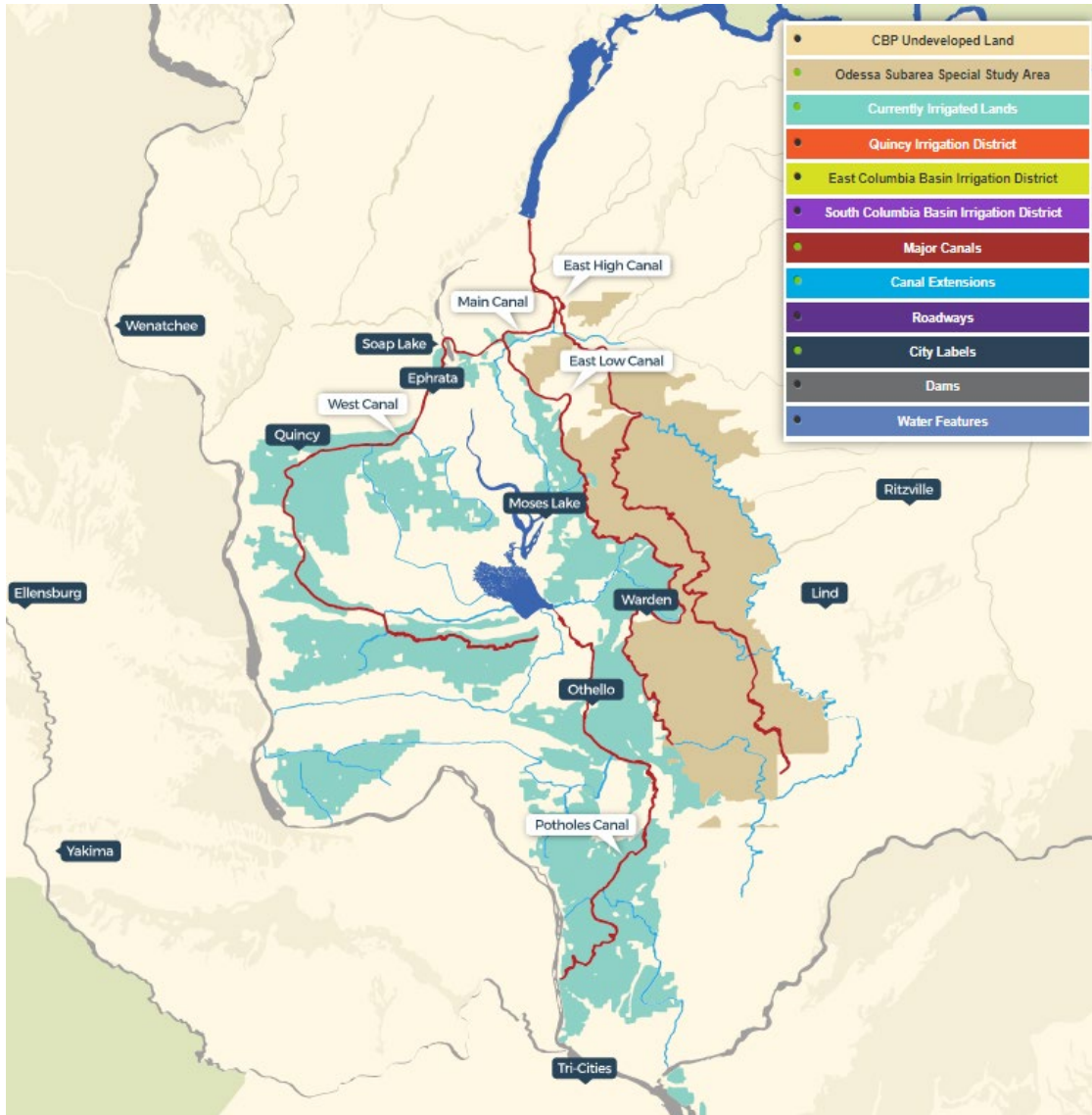
California – On the Wagon



Credit: Dr. Joseph F. Poland,
USGS

Infrastructure Matters





- **Odessa**

- 90,000 acres
- \$465 million to build
- 13% more irrigated land!
- \$520 million in economic activity

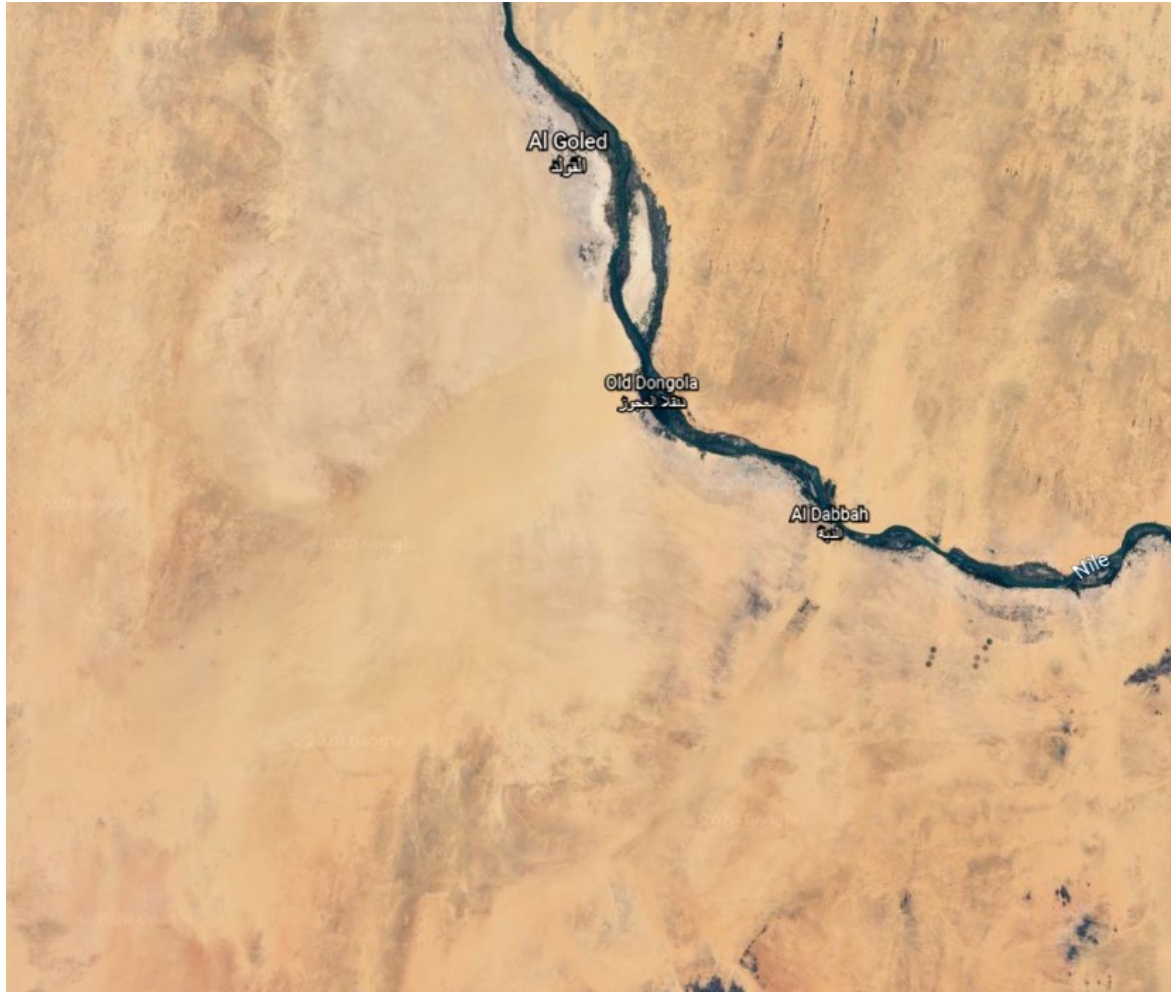
Sudan



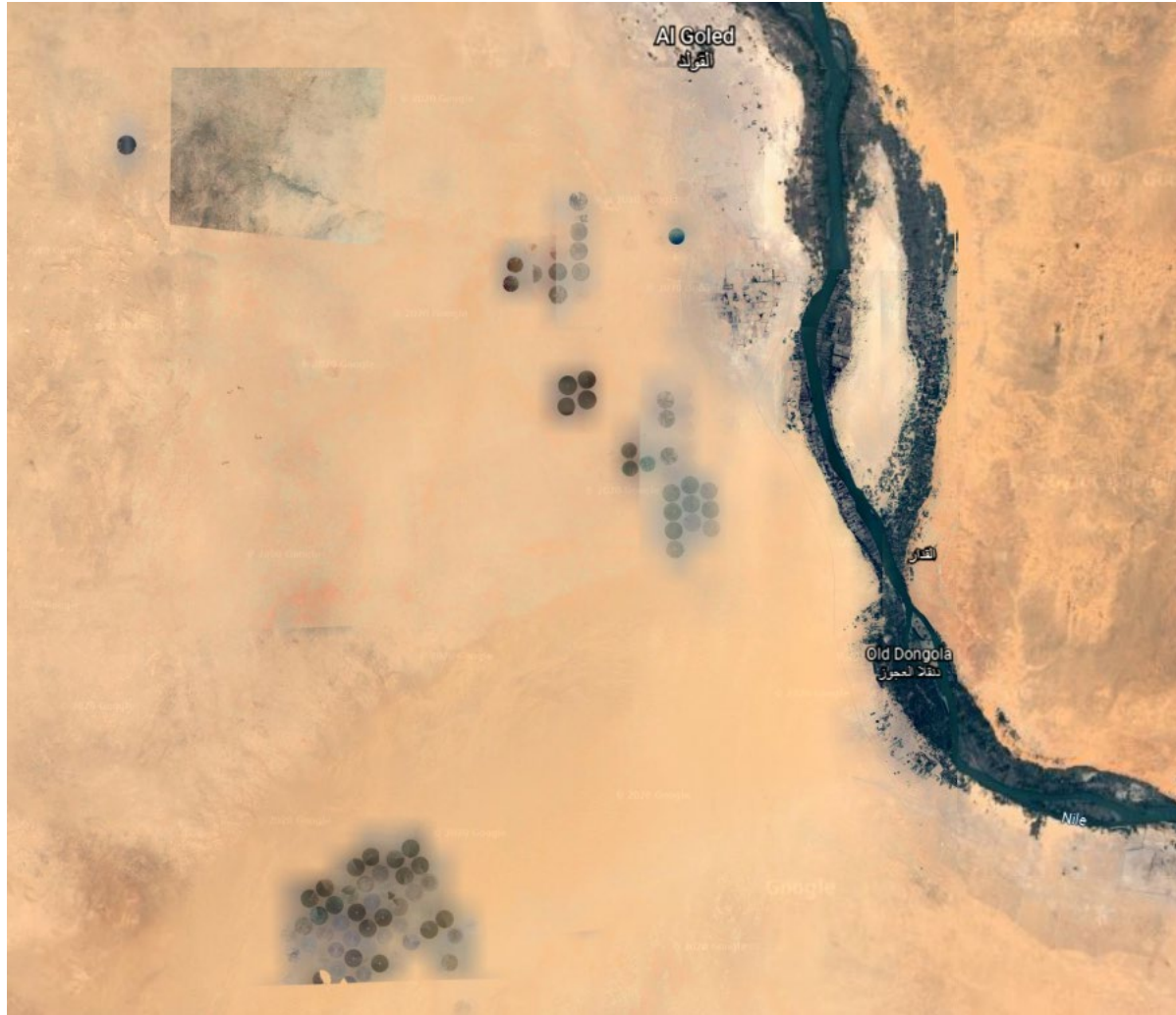
Sudan



Sudan



Sudan



Sudan



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Onions



Potatoes



Soybeans



Sugar Beets



Wheat



Wine/Vineyard



Pears

Market Snapshots



Contact your local Northwest FCS branch.
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MARKET SNAPSHOT

HAY

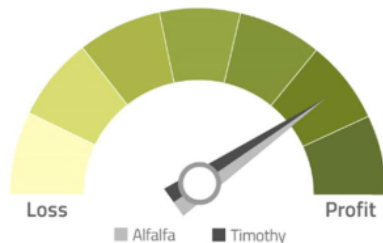
Sept. 30, 2018

Executive Summary

Drivers for the hay industry include inventory, trade and currency volatility.

- Price strength suggests production did not offset low beginning inventory.
- Hay exports remain robust despite retaliatory tariffs from China.
- The strong dollar provides headwinds to the export market.

12-Month Profitability Outlook



Northwest FCS' 12-month outlook suggests alfalfa and timothy producers will be profitable. Fundamental supply conditions favor alfalfa hay prices and producer profitability across the West. However, uncertainty regarding trade looms. Resolution of trade disputes would benefit the hay industry as increasing milk price could support hay prices.

