





Idaho Clover and Alfalfa Seed Growers Annual Meeting

MARKET REPORT January 10, 2017

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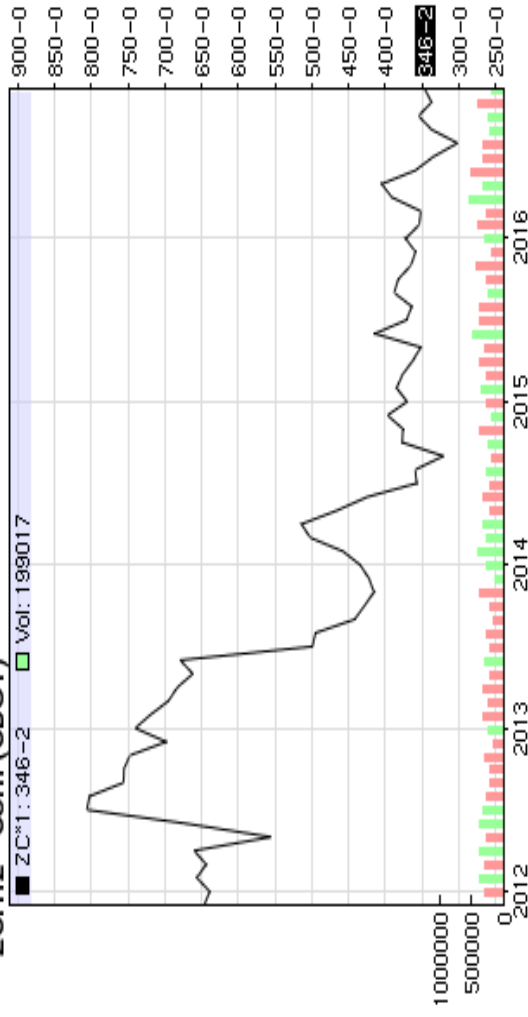
Director of Seed Production

www.foragegenetics.com

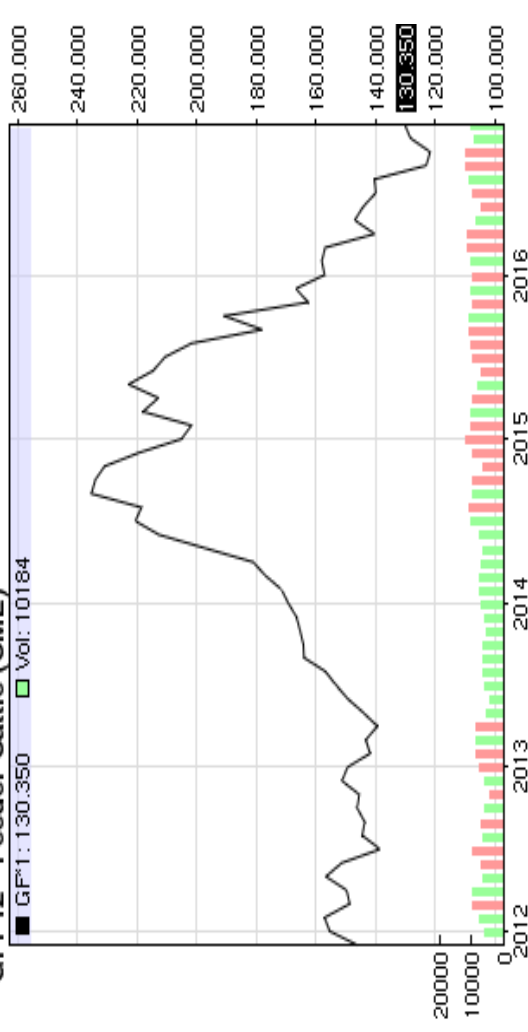
Industry General Sentiments

- 2012 , 2013 , 2014 and 2015 **MEMORABLE YEARS !**
- 2016 **FORGETTABLE ?**
- 2017 Challenges / Opportunities

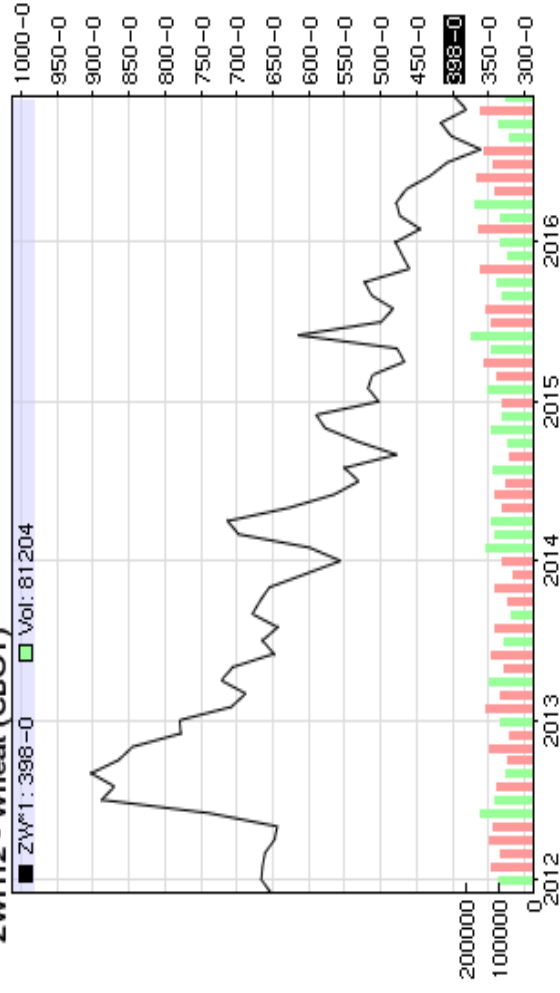
ZCH12 - Corn (CBOT)



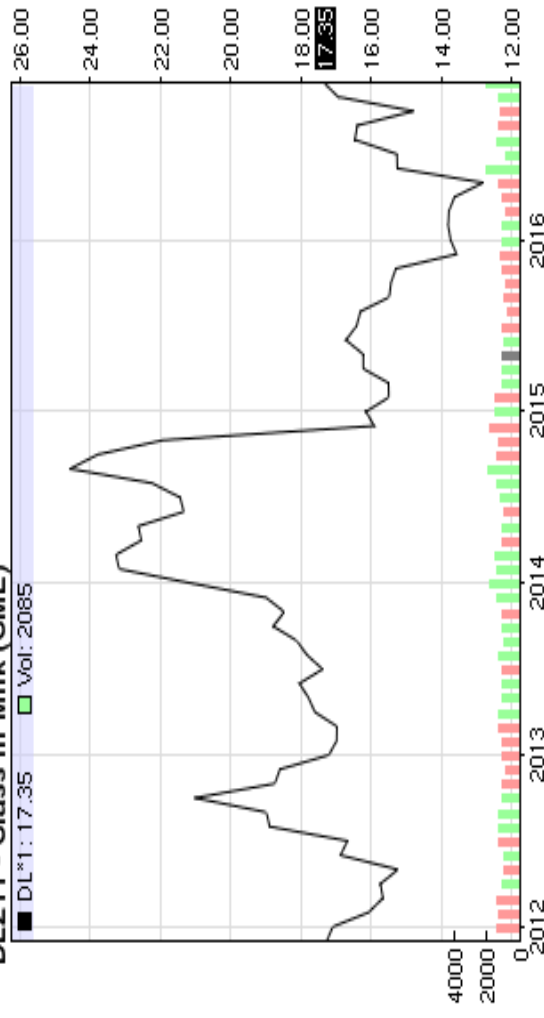
GFF12 - Feeder Cattle (CME)



ZWH12 - Wheat (CBOT)



DLZ11 - Class III Milk (CME)



Hay Trends (Hoyt Report November)

Today

- Supreme \$255 / ton
 - Premium \$215 / ton
 - Good \$155/ ton
 - Fair \$ no sales
-
- Exports (CA ports) 1.6 M Tons
 - Yellow corn \$149 / ton

Year Ago

- Supreme \$285 / ton
 - Premium \$245 / ton
 - Good \$215 / ton
 - Fair \$125 / ton
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- Exports 1.3 M Tons
 - Rolled corn \$189 / ton

Supply vs Demand ?

- Demand has exceeded supply from 2012 thru 2015 .
- 2016 Supply appears to be ahead of demand ,**still early**
- Good hay prices and heavy Midwest winterkill in 2013 pushed sales above demand causing shortages
- Low Seed acres during this cycle and marginal weather have kept supplies low
- USA hay acres consistent at +- 20 million acres



PNW Alfalfa Seed Acres (data source cert agencies and best guess)

2015 Acres (49,654)

WA	15,748
ID	11,791
WY	7,678
MT	7,852
NV	4,200
OR	885
CO/ Utah	1,500

2016 Acres (53,678)

WA	14,504
ID	15,059
WY	10,210
MT	6,805
NV	3,000
OR	2,300
CO/Utah	1,800



2017 Challenges

- Potential inventory problems if 2017 spring sales are down in Dairy belt
- Strong USA currency exchange.. Less competitive in International markets
- Watch out for big crop of Canadian common seed production
- Bug control access i.e. “ Transform “



2017 Opportunities

- Production of new Quality Trait products .. HarvXtra
- Shortage of high quality hay in the USA each year, never enough!
- New DC administration , changes in EPA ?
- Lower fuel prices
- Strong winter , more feed use by grazing animals
- Irrigation water to allow for rotations
- Dairy futures look good .. 2017 4th quarter at \$16.66 / cwt.
- Strong US dollar ---- leverage leafcutter bee purchases?



Thank You!