Dairy Hay Outlook

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Land Grant Universities (27):

Associate Members (13):
- AFBF
- ASI
- NCBA
- NPB
- CME Group
- Canadian Consortium
- Noble Research Institute
- CoBank
- TCFA
- TCU
- NWFC
- DLR
- Agri-Food and Agriculture Canada

USDA Agencies (8):
- ERS
- APHIS
- GIPSA
- NASS
- WAOB
- AMS
- FAS
- FCA
PERCENT CHANGE ALFALFA HAY PRODUCTION
(2020-2021)

Livestock Marketing Information Center
Data Source: USDA-NASS

US Total -7.2

VT 10
NH -40
MA 43
RI 0
CT 18
NJ 2
DE -30
MD 10

% change

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PERCENT CHANGE DECEMBER 1 HAY STOCKS
(2020-2021)

Livestock Marketing Information Center
Data Source: USDA-NASS

US Total  -6.0

VT  8
NH  17
MA  -43
RI  25
CT  27
NJ  -6
DE  0
MD  -5

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1/12/22
ALFALFA HAY – MONTHLY AVERAGE PRICE
Received by Farmers, U.S., Crop Year

$ Per Ton

$220
$210
$200
$190
$180
$170
$160
$150
$140

MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR

Avg. 15/16-19/20  2020/21  2021/22

Data Source: USDA-NASS
Livestock Marketing Information Center
PREMIUM ALFALFA HAY PRICE
Monthly, Received By Farmers

Source: USDA NASS, QuickStats
Livestock Marketing Information Center
U.S. HAY & HAY PRODUCT EXPORTS

Thous. Metric Tons

Annual

Data Source: USDA-FAS, Compiled & Analysis by LMIC
Livestock Marketing Information Center

02/15/22
ALFALFA HAY EXPORTS

Annual

Thous. Metric Tons

Japan
Saudi Arabia
China
United Arab Emirates

2018
2019
2020
2021

34%

Data Source: USDA-FAS, Compiled & Analysis by LMIC
Livestock Marketing Information Center

02/15/22
Marketing Year Ahead
ROUGHAGE CONSUMING ANIMAL UNITS (RCAU)
Annual, Millions

Source: USDA ERS, Feed grains Database
Livestock Marketing Information Center
DAIRY INCOME OVER FEED COSTS
West Region, Monthly

$ Per Cwt.

Data Source: USDA-AMS & USDA-NASS
Livestock Marketing Information Center
Livestock Marketing Information Center
Data Source: USDA-NASS

PERCENT CHANGE NEW SEEDINGS ACRES
(2020-2021)

US Total -24.6
Alfalfa Forecasts for 2022/2023

• Production
  – Acreage declines could be significant with a substantially lower new seeding rate;
    • LMIC Forecast: 8-10% lower acres
  – Water and Temperature
    • NOAA (Summer/Fall) Above Avg. Temps for the West.
    • NOAA (Summer Fall) Normal to Dry Precipitation for the West
  – Yield: The last four years have been below the 20 year trend line of 9.71 tons per acre.
    • 2022/2023 is likely to also be below.
    • LMIC Forecast: About the five year average of 7-7.5 tons per acre

• Yield will be unlikely able to make up for loss in acres, translating to lower production in 2022/2023.
OMAHA CORN PRICES
Weekly

$ Per Bu.

JAN  APR  JUL  OCT

Avg. 2016-20  2021  2022

Data Source: USDA-AMS
Livestock Marketing Information Center
Alfalfa Forecasts for 2022/2023

• Exports
  – China will continue to buy large volumes of hay out of the West.
  – Four of the top 5 U.S. alfalfa markets had a year over year increase in quantity.

• RCAU- Domestic Use Will Likely Decrease

• Price Forecast:
  – Even if demand is stagnant, the supply side will likely drive prices higher in 2022/2023
  – LMIC Forecast: $235-$255 per ton Marketing Year Average
Thank You!

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