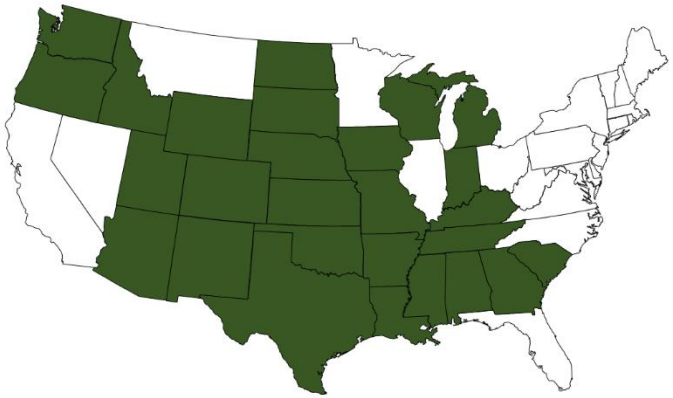
Dairy Hay Outlook

Katelyn McCullock, Director
Livestock Marketing Information Center

February 25, 2022

Land Grant Universities (27):



USDA Agencies (8):

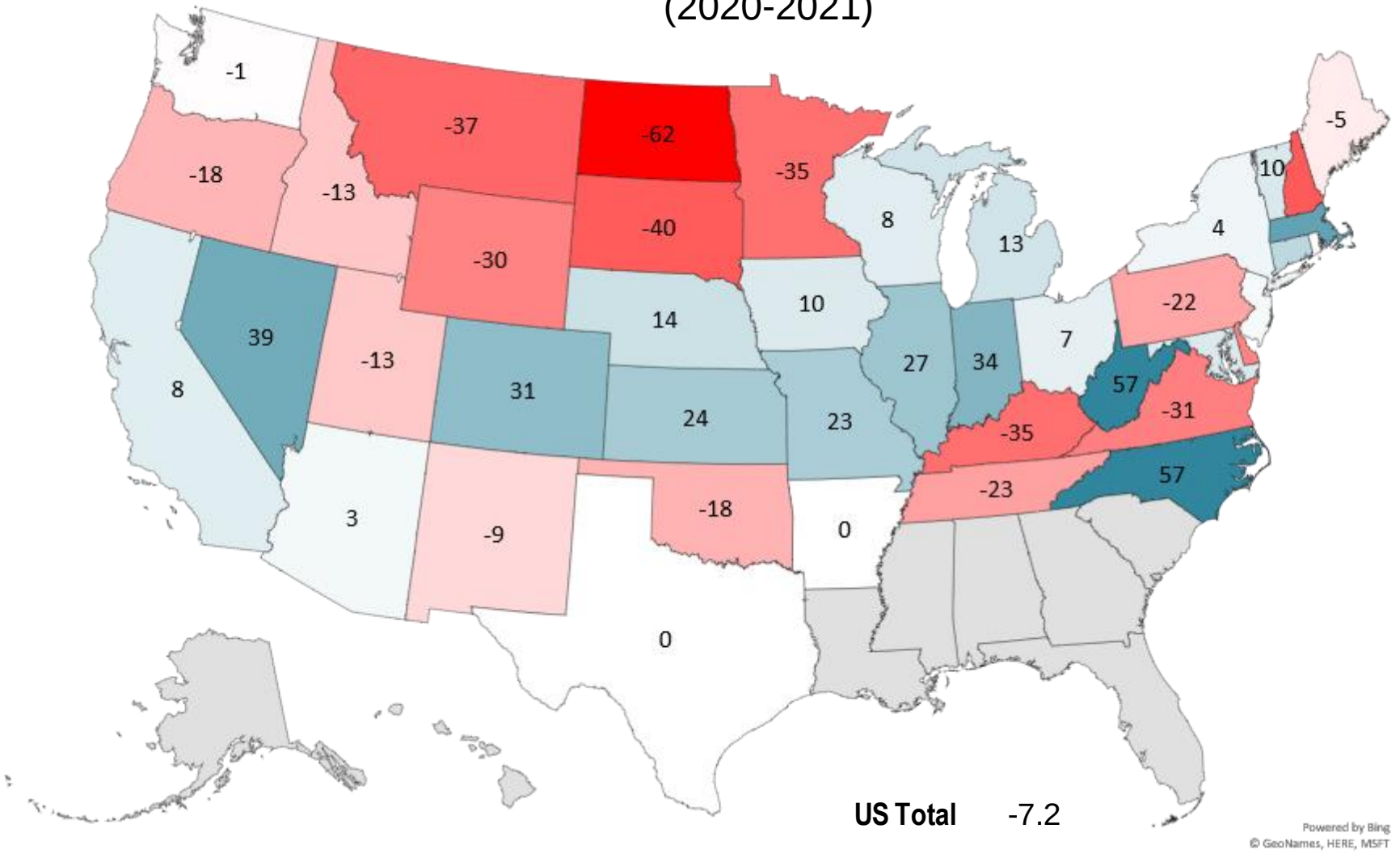
ERS
APHIS
GIPSA
NASS
WAOB
AMS
FAS
FCA

Associate Members (13):

AFBF
ASI
NCBA
NPB
CME Group
Canadian Consortium
Noble Research Institute
CoBank
TCFA
TCU
NWFCS
DLR
Agri-Food and Agriculture Canada

PERCENT CHANGE ALFALFA HAY PRODUCTION

(2020-2021)



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

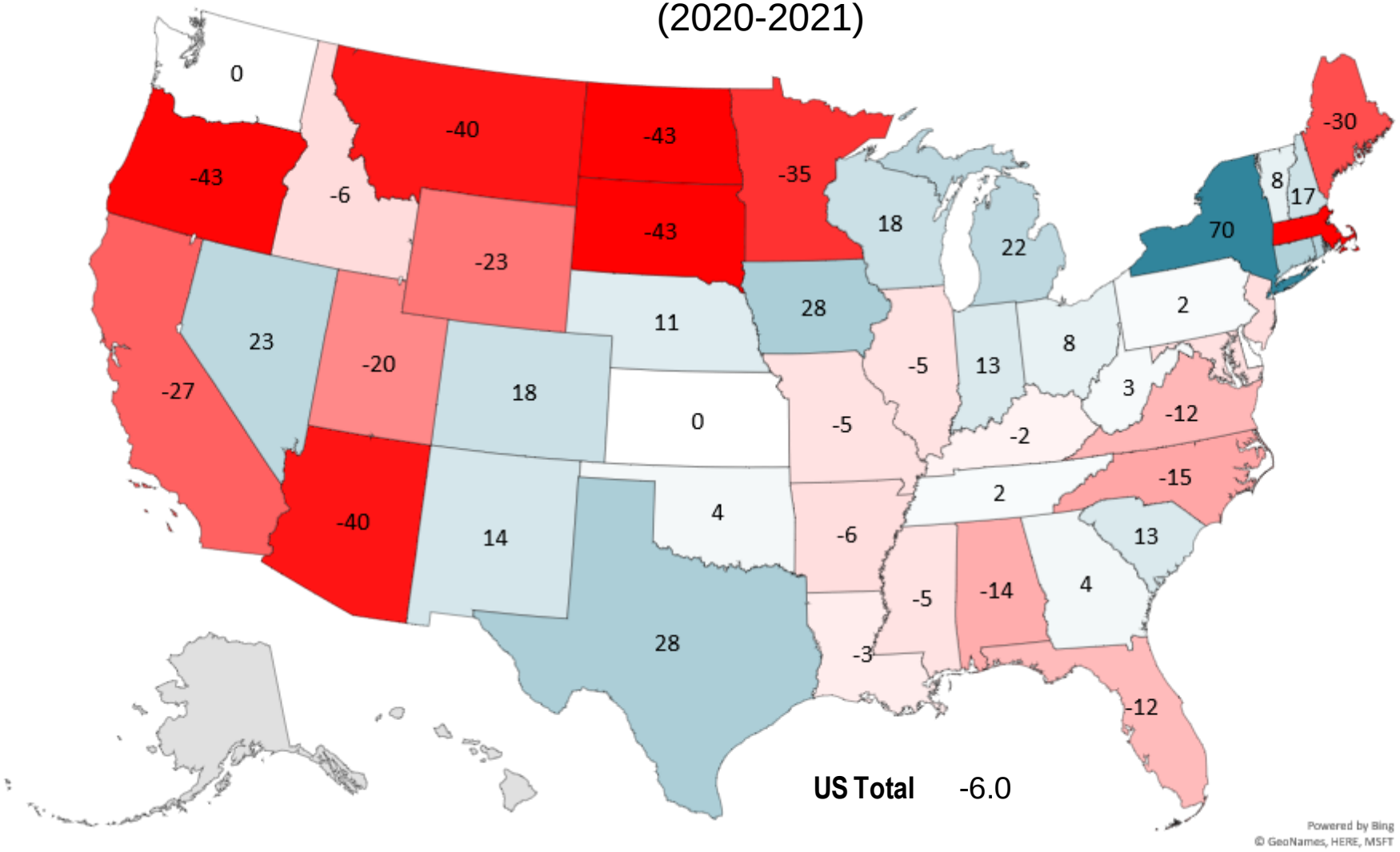
Livestock Marketing Information Center

Data Source: USDA-NASS

1/12/22

PERCENT CHANGE DECEMBER 1 HAY STOCKS

(2020-2021)



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

change

70 0 -43

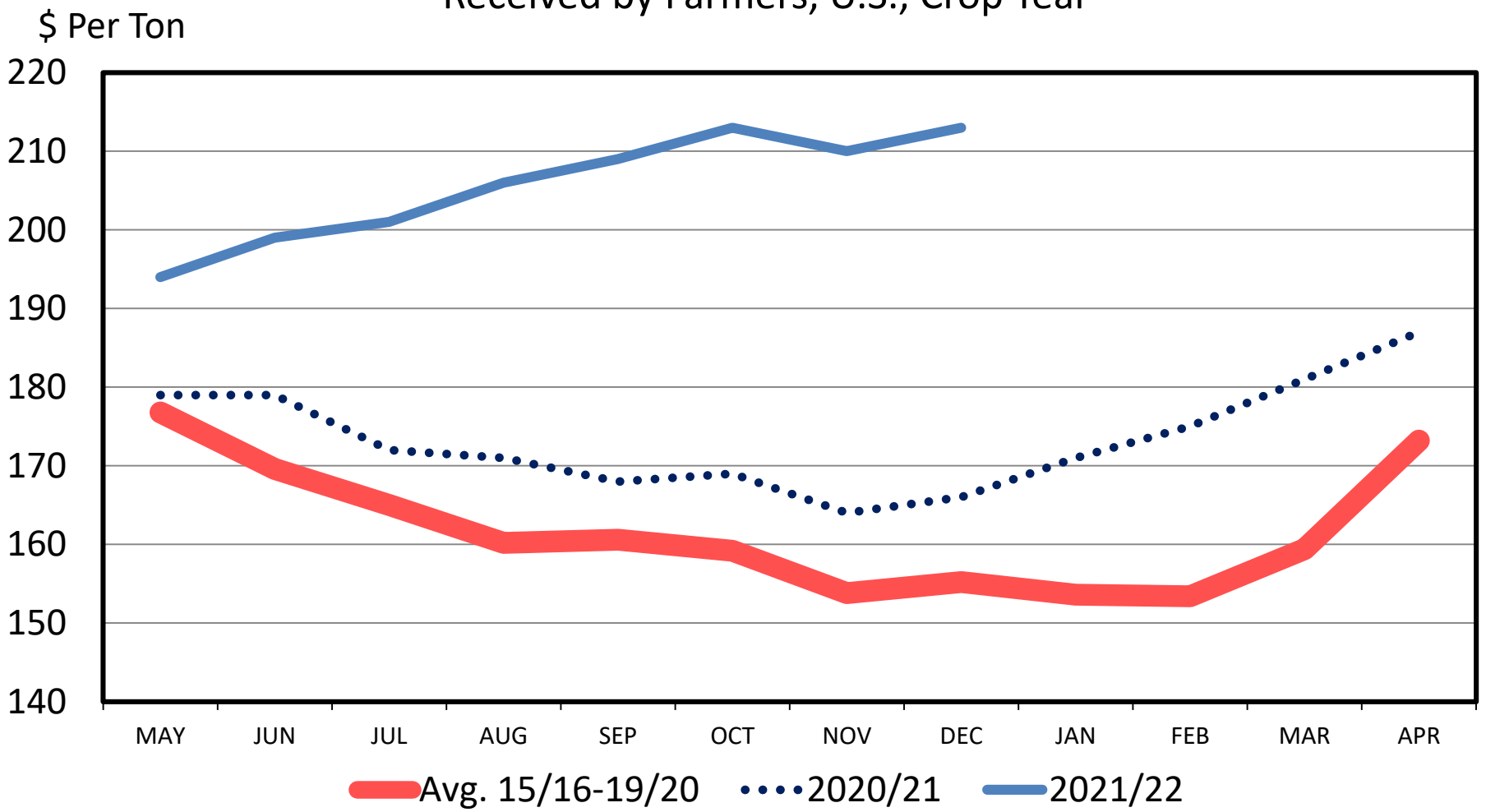
Livestock Marketing Information Center

Data Source: USDA-NASS

1/12/22

ALFALFA HAY – MONTHLY AVERAGE PRICE

Received by Farmers, U.S., Crop Year

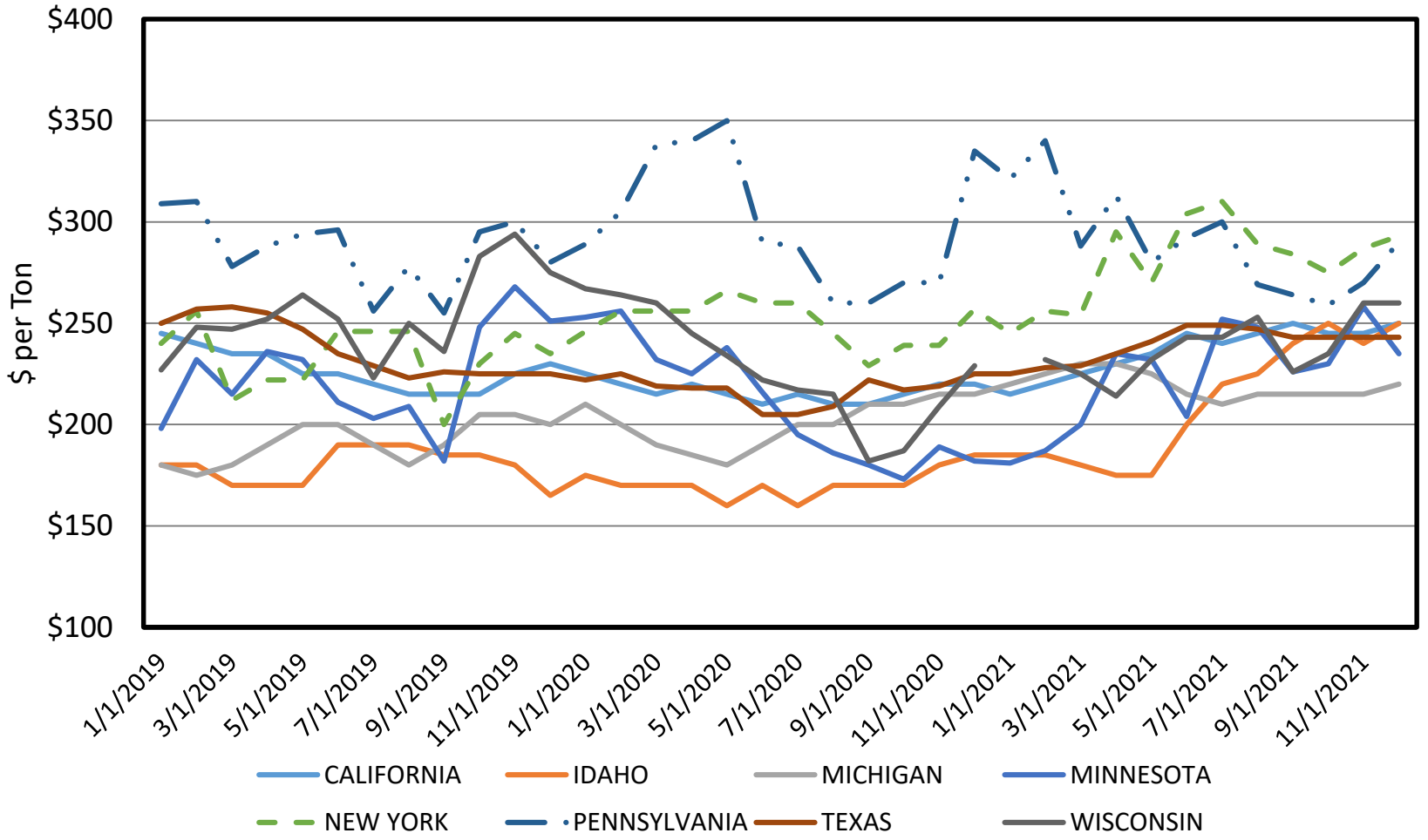


Data Source: USDA-NASS

Livestock Marketing Information Center

PREMIUM ALFALFA HAY PRICE

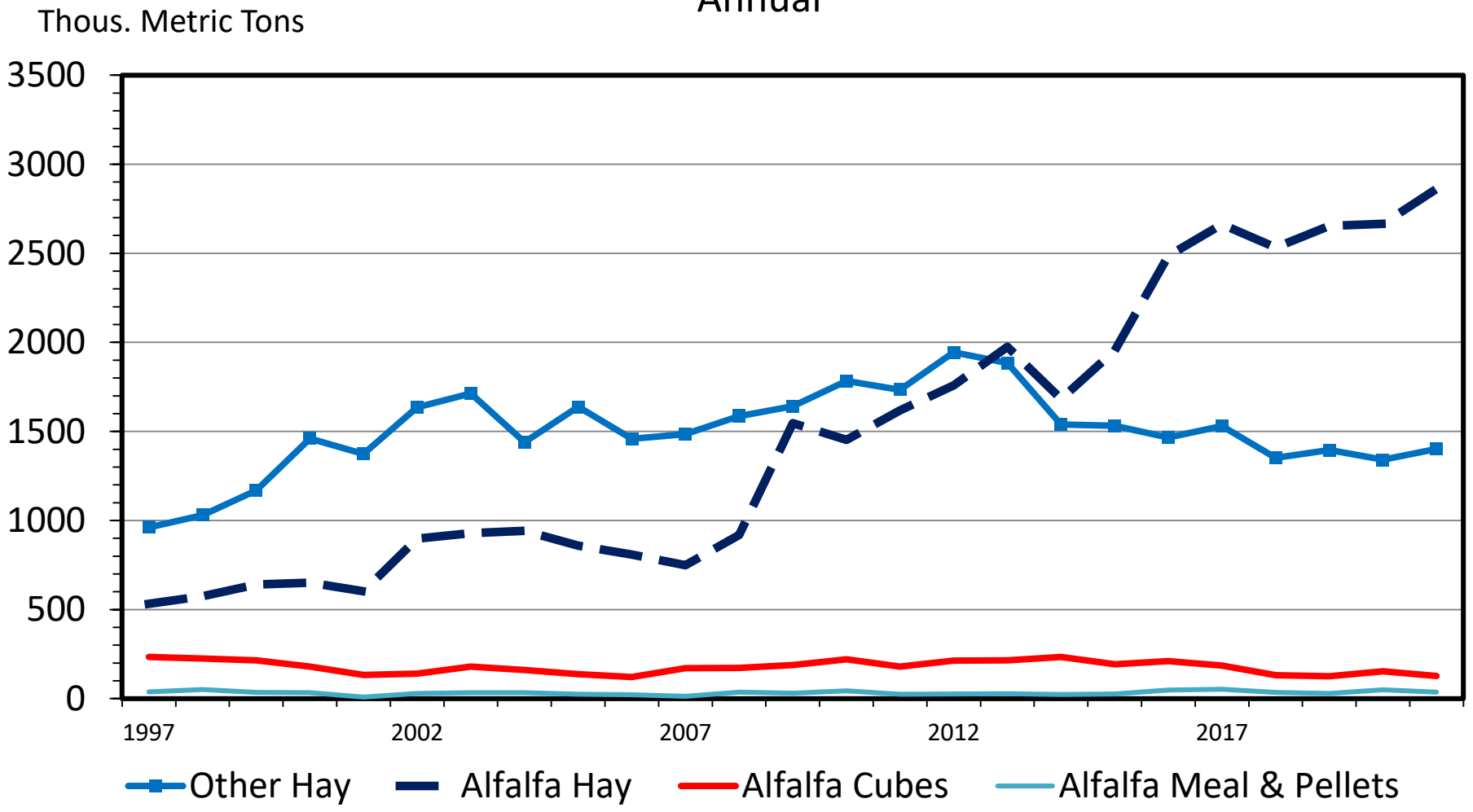
Monthly, Received By Farmers



Source: USDA NASS, QuickStats
Livestock Marketing Information Center

U.S. HAY & HAY PRODUCT EXPORTS

Annual



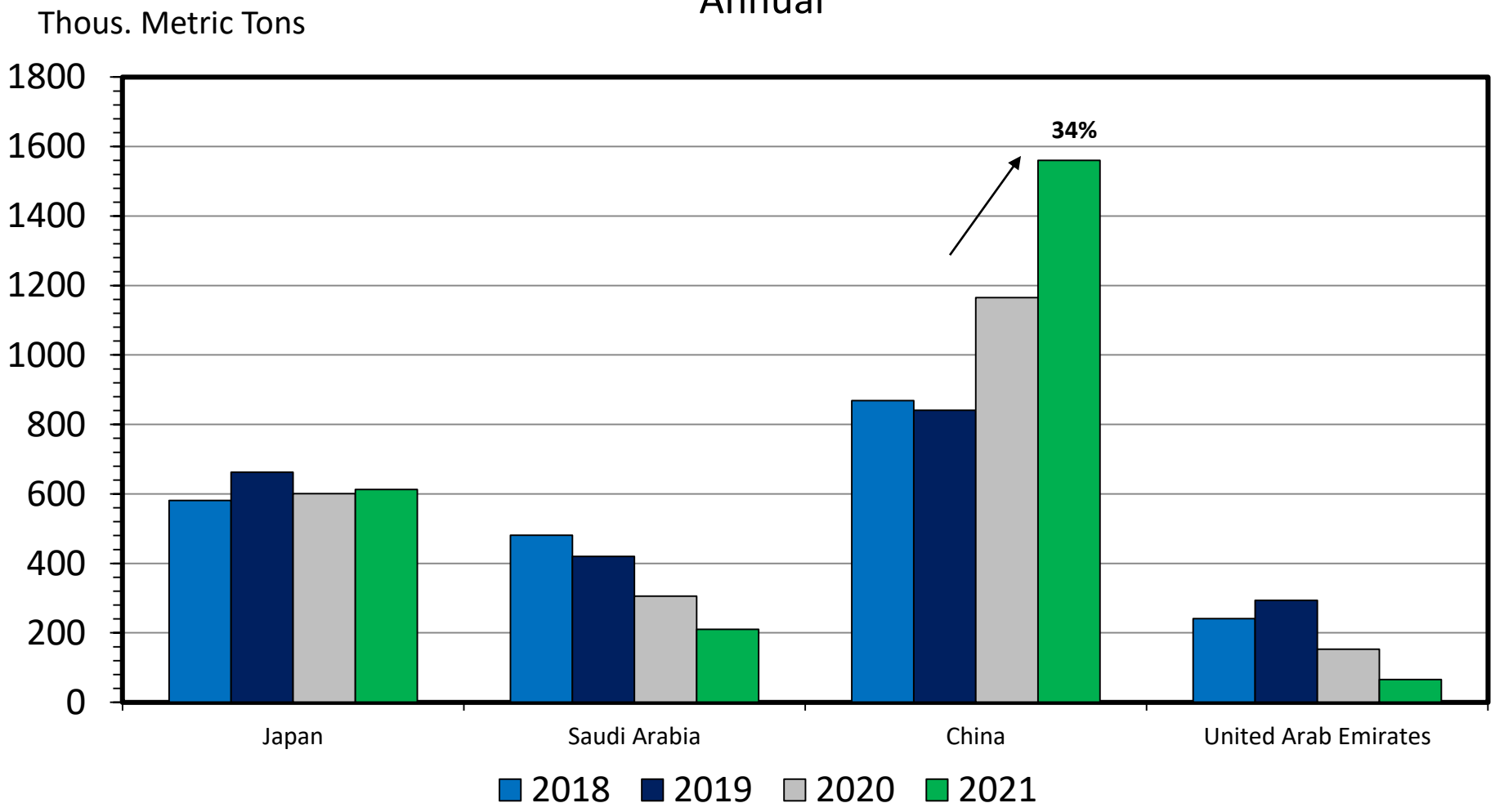
Data Source: USDA-FAS, Compiled & Analysis by LMIC

Livestock Marketing Information Center

02/15/22

ALFALFA HAY EXPORTS

Annual



Data Source: USDA-FAS, Compiled & Analysis by LMIC

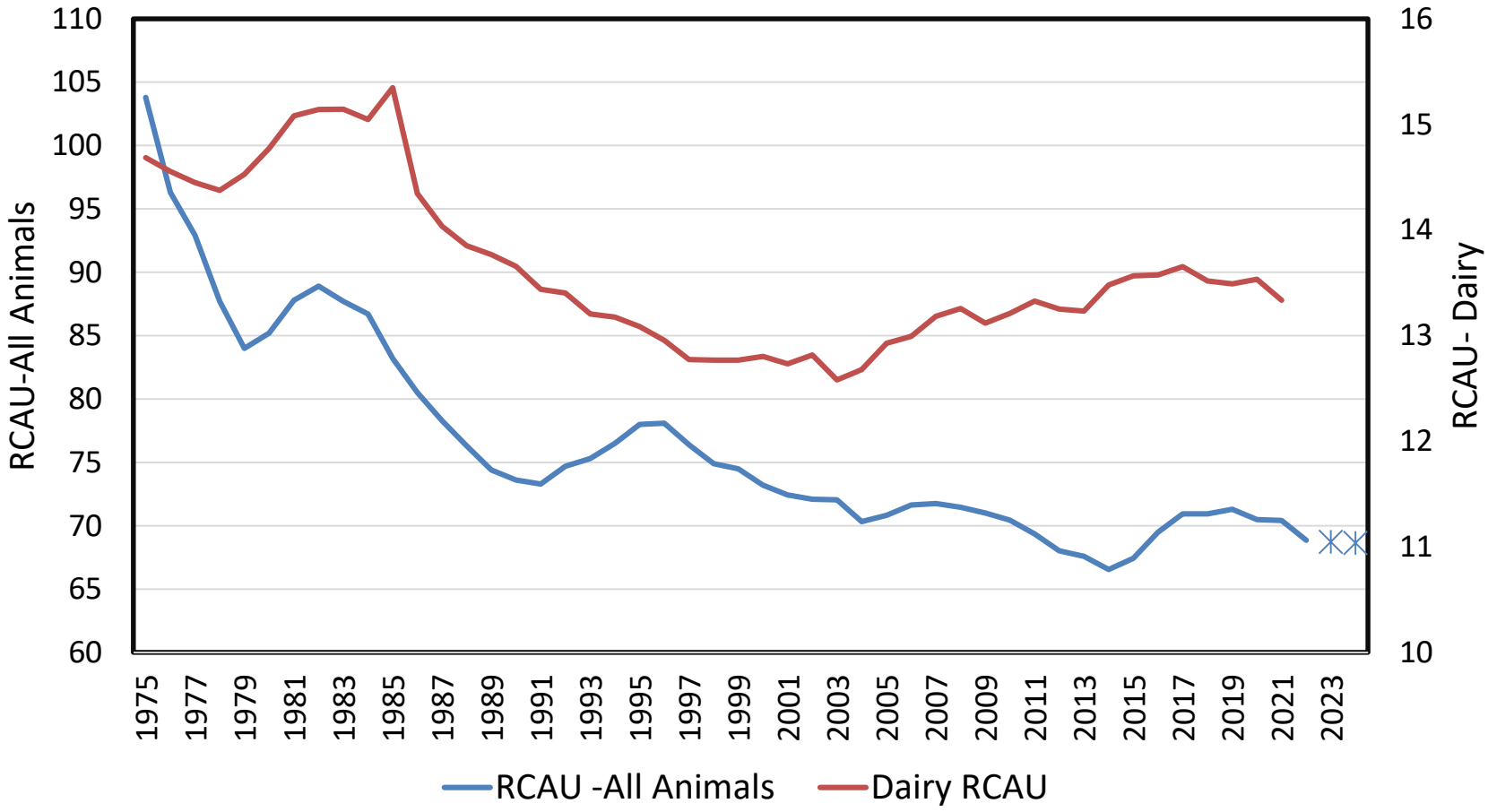
Livestock Marketing Information Center

02/15/22

Marketing Year Ahead

ROUGHAGE CONSUMING ANIMAL UNITS (RCAU)

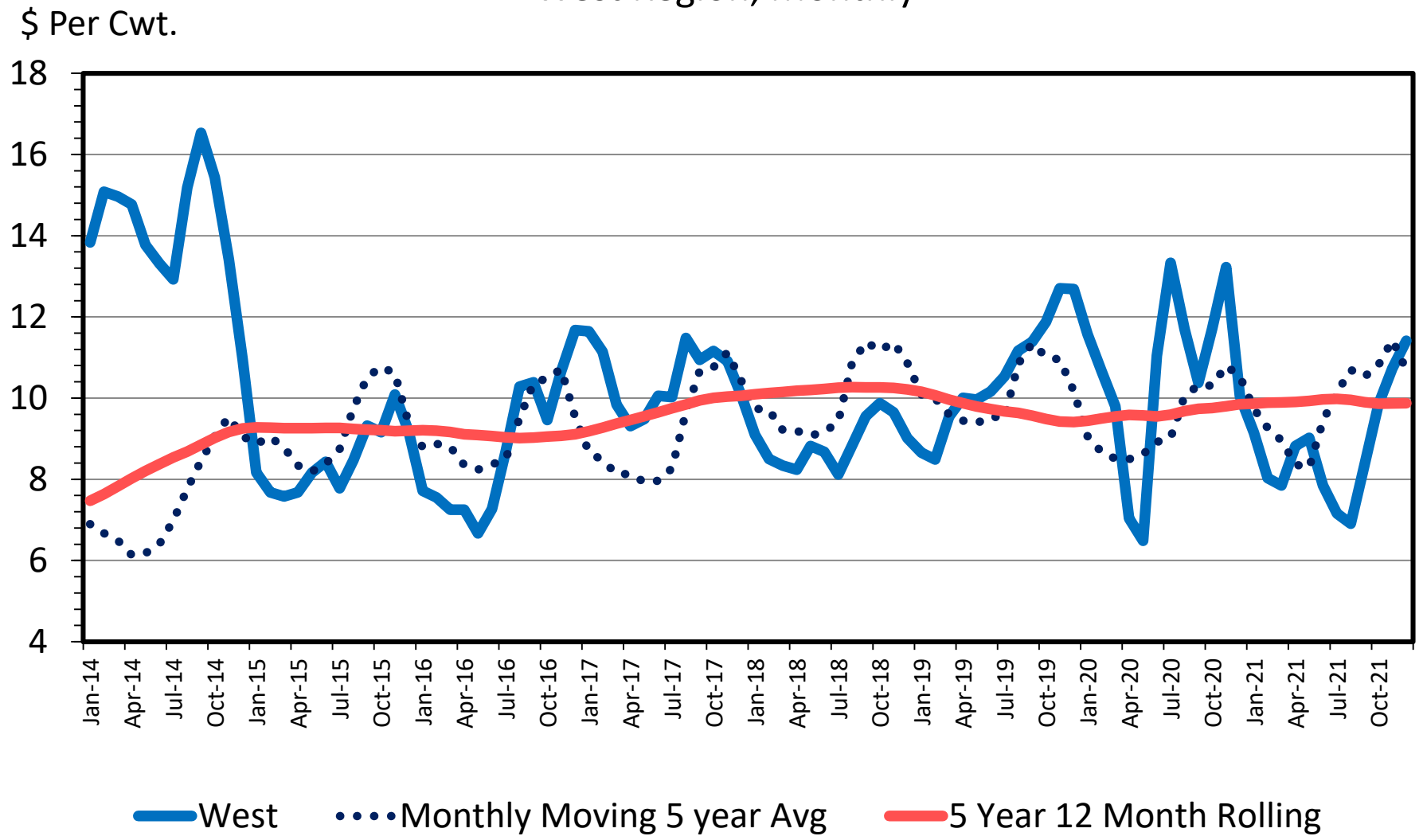
Annual, Millions



Source: USDA ERS, Feed grains Database
Livestock Marketing Information Center

DAIRY INCOME OVER FEED COSTS

West Region, Monthly



Data Source: USDA-AMS & USDA-NASS

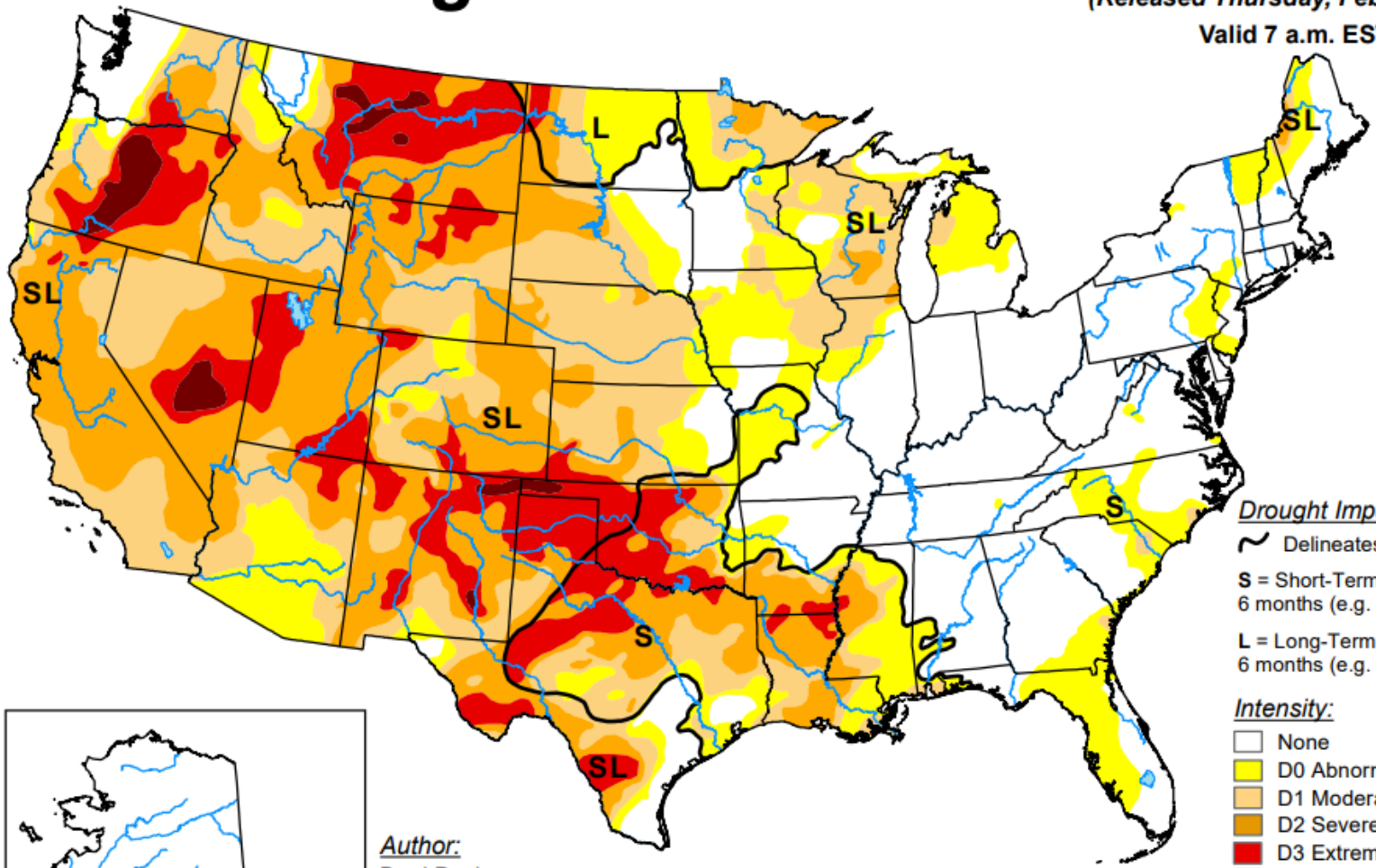
Livestock Marketing Information Center

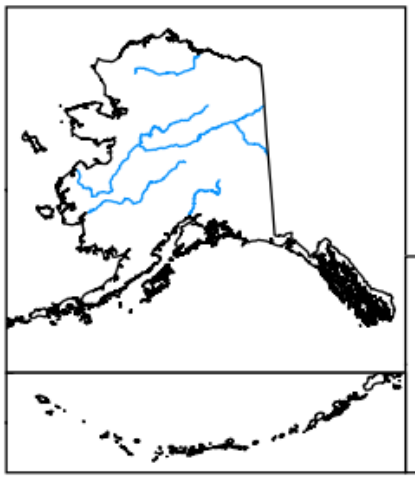
U.S. Drought Monitor

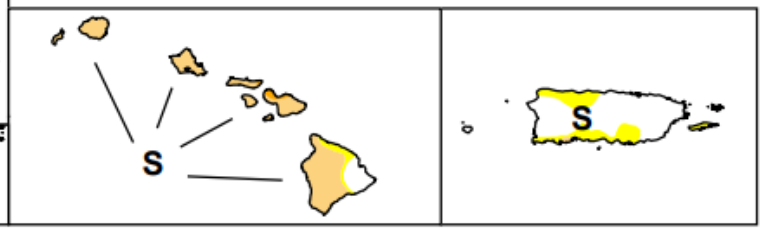
February 15, 2022

(Released Thursday, Feb. 17, 2022)

Valid 7 a.m. EST







Drought Impact Types:

Delineates dominant impacts

S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)

L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

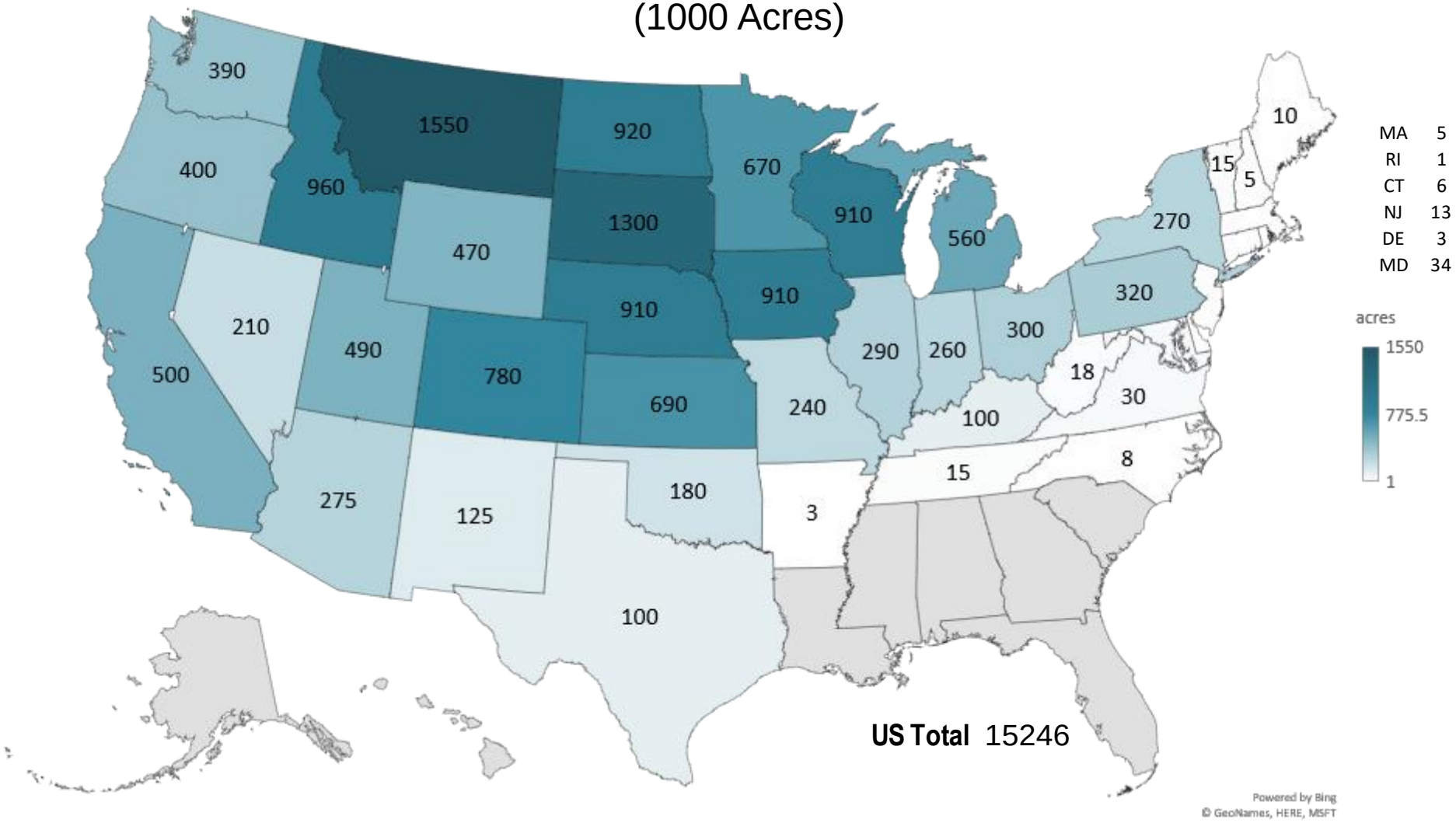
Author:
Brad Pugh
CPC/NOAA

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx

droughtmonitor.unl.edu

2021 ALFALFA HAY ACRES

(1000 Acres)



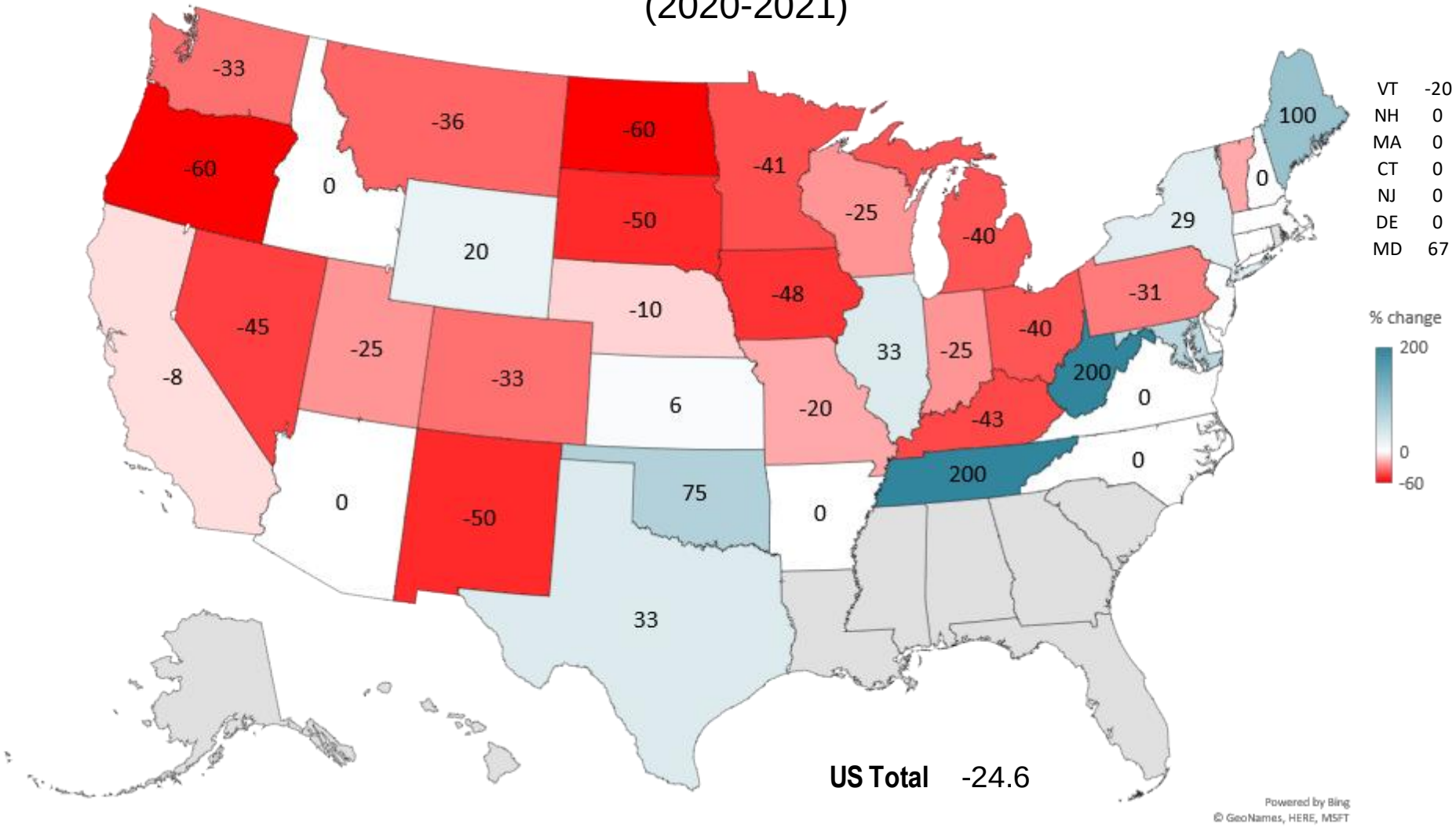
Livestock Marketing Information Center

Data Source: USDA-NASS

1/12/22

PERCENT CHANGE NEW SEEDINGS ACRES

(2020-2021)



Livestock Marketing Information Center

Data Source: USDA-NASS

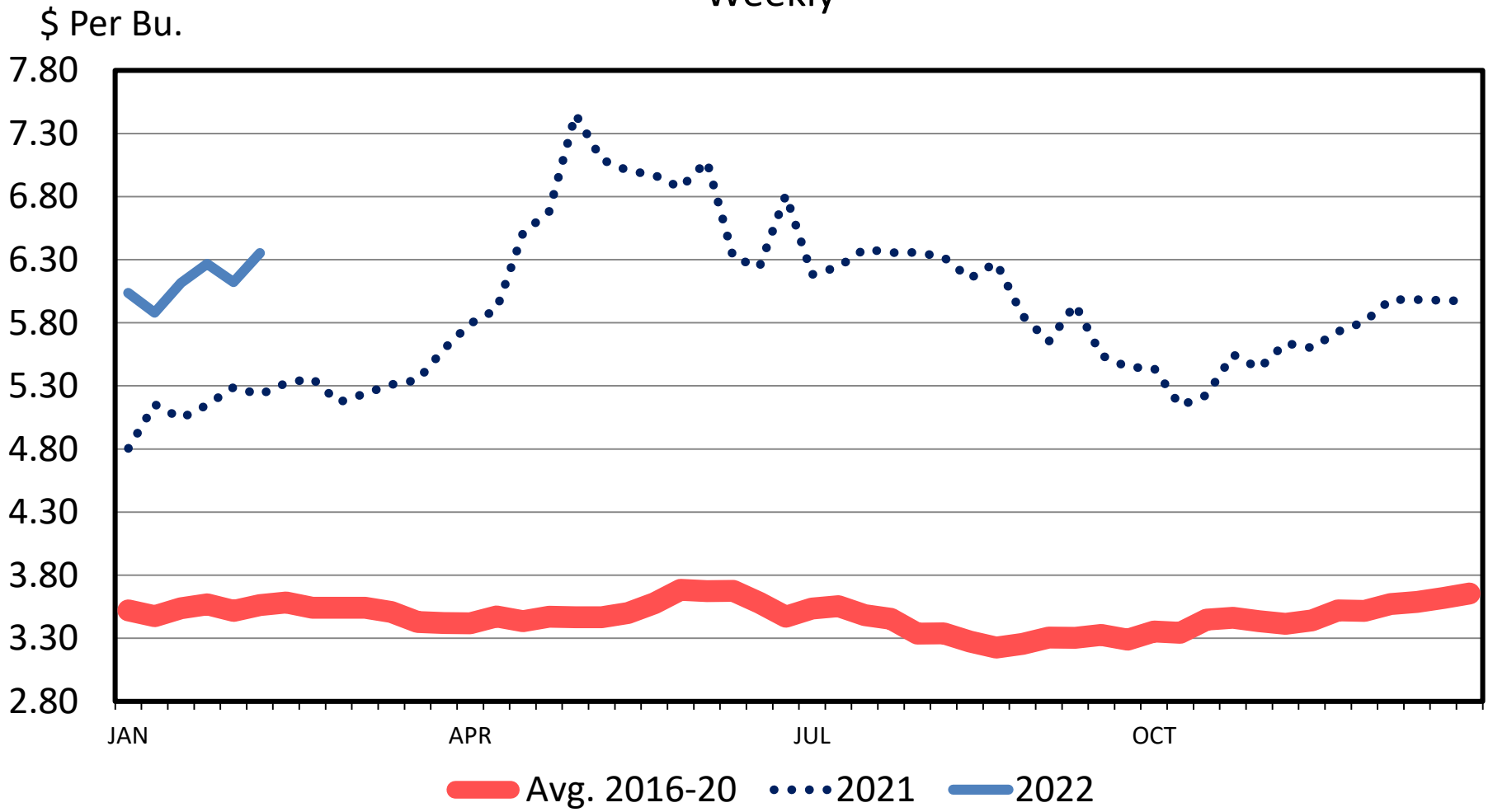
1/12/22

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



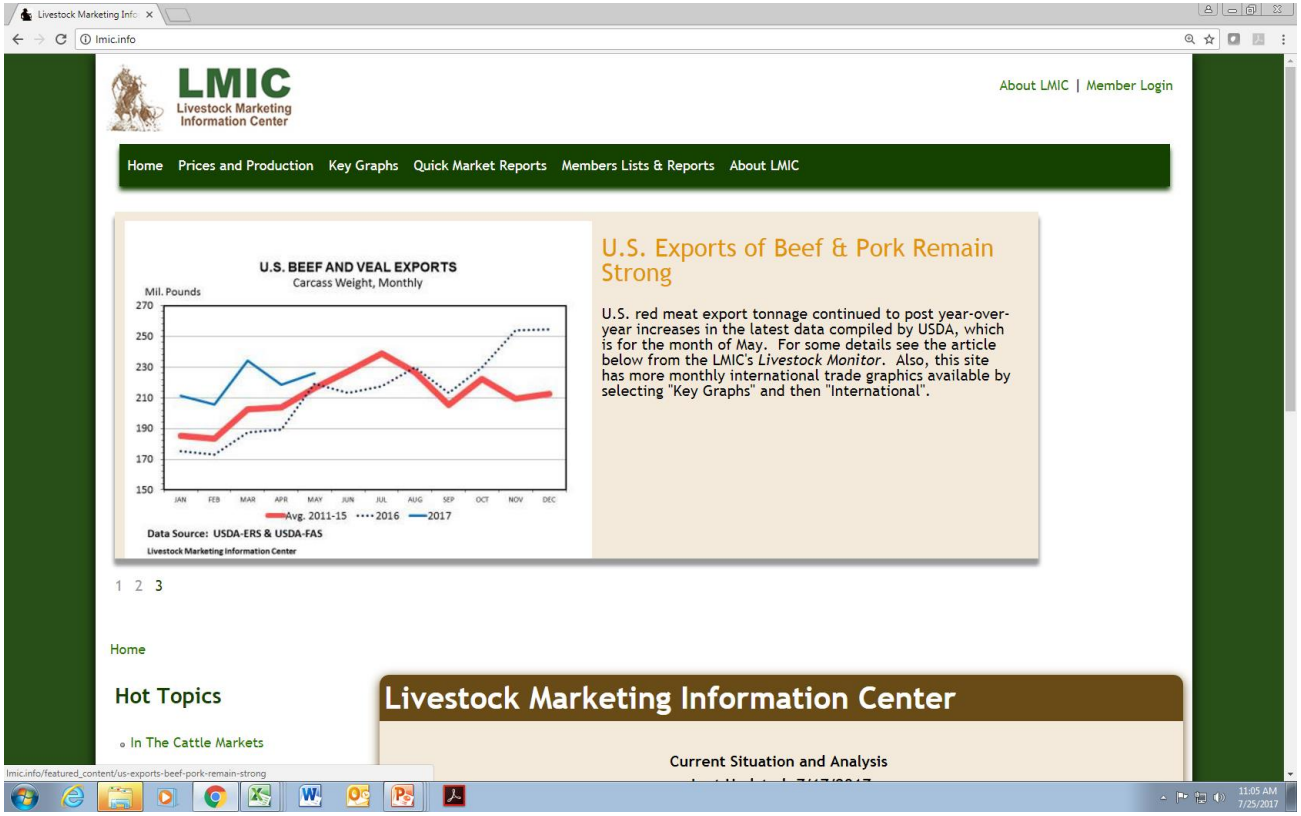
Data Source: USDA-AMS

Livestock Marketing Information Center

G-P-02
02/16/22

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



www.lmic.info

Katelyn McCullock
Katelyn.mccullock@lmic.info
303-716-9936

Thank You!