



New Mexico State University

Extension Plant Sciences

Alfalfa Market News

New Mexico Hay Association, www.nmhay.com



Hay Prices for New Mexico

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County	Contact	Premium+ Hay (\$/ton)	Top Quality Hay (\$/ton)	Other Hay (\$/ton)	Condition/ Market Activity/Cut Complete
Chaves	Sandra Barraza, County Agent	\$245-275 large, in the field; \$300 small, in the barn		\$250-260 dry cow hay, striped, in the field	5 th cuts started; active market; hot with scattered rains and higher humidity; some caterpillars reported
Colfax	Boe Lopez, County Agent	\$280	\$230	\$200	Last year's supplies; very little being irrigated or cut
Dona Ana	Teresa Dean, County Agent	\$270-280 large; \$15.00 per 3-string bale		\$175-190 rained on hay; \$14.00 per 3-string	4 th cuts 75%; easier to move slightly rained on hay than highest quality; most of 3 rd and some 4 th cuts rained on
Eddy	Woods Houghton, County Agent	\$270 large; \$300 small	\$250	\$225-250 striped	5 th cuts near complete; some CID growers made unexpected cut from rain, still short on water
Luna	Jack Blandford, County Agent; Other Contacts	\$230-250; \$8.00 small		\$170-210 rained on hay; \$130-140 sudan hay	5 th cuts near complete; demand moderate; most going to dairies; rains negatively impacting hay quality
Valencia/Socorro	Miscellaneous Contacts	\$230-280 large; \$280-300 small or \$8.00-9.00 per bale		\$6.00-7.00 small rained on hay; \$5.00 cow hay	4 th cuts started; slow-moderate activity; showers affecting 3 rd cuts and baled hay in the field

Prices are a compilation of Agent information and other area estimates.

N/A = prices and/or supplies not available at this time

The Dairy Industry – Light at the End of the Tunnel

Robert Hagevoort, Extension Dairy Specialist, NMSU Extension Animal Sciences & Natural Resources Dept.

Even though we all wish we had the crystal ball, it's probably a good thing nobody does. When in a previous article we reported on the drought of 2011 and the devastating effects it was having on both dairy and beef production in the Southwest, little did we know what 2012 had in store for us! Now that the 2013 crop season is starting to shine light on what could possibly be in our future, and New Mexico did get some long expected moisture, particularly in the last month and an half, dairymen are asking themselves if that light at the end of the tunnel is daylight or just another fast moving train moving in their direction...

Forage situation: In eastern New Mexico we are finally seeing some 8-10 ft corn fields again: a phenomena we haven't seen in the last 2-3 years! When driving across the State, much rangeland is starting to show some life and cattle out on pasture are regaining body condition fast.

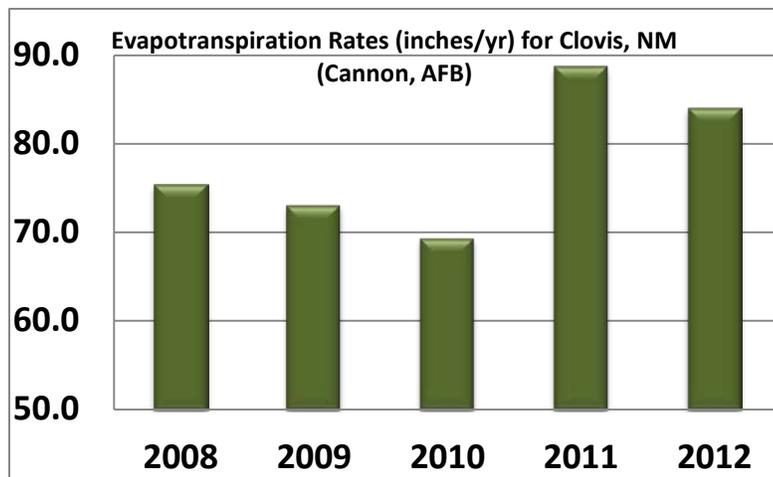
We should have a good silage crop and some good tonnage this year as we are starting the chopping season. Forage quality likely will be much better compared to the last few years and the quantity should be such that prices will likely start to come down from last year's back-breaking numbers. The most recent USDA/NASS New Mexico Weekly Crop & Weather Report shows significant improvements in Range & Pasture Condition and Soil Moisture Percentages. However, let's not fool ourselves and get overly excited: except for the far Northeast (Clayton & Raton) most of the East side has only had about one third of their

normal average rainfall for the year so far, and we are still in an exceptional drought even though things look very nice when you look around! Evidence of continued water woes across the west are the alfalfa hay markets, which in most areas are trending lower than 2012 but only by marginal numbers, and are actually stronger than last year in many of the California markets. Increased pressure continues to be observed from the alfalfa hay export markets to China and the United Arab Emirates.

Drought in Irrigated Ag: We have had many questions from around the country and even internationally, as to why in New Mexico we are affected by the drought when crop agriculture in New Mexico is for a large part dependent on irrigated agriculture – rain or no rain?



Well in order to answer that question you have to look at the total picture of temperature, wind speed and evaporation of provided water (either from rain or irrigation): or in other words the total *evapotranspiration rate*. As you can see in the below graph the evapotranspiration rate for Clovis, New Mexico in 2011 and 2012 was roughly one third higher compared to the three previous years, such that the evapotranspiration exceeded the well capacity, soil water holding capacity, or water allotments for many cropland applications. Simply put, the water resources could not keep up with the pace at which the water evaporated or transpired from the plants. This occurred throughout the state over the past two years. So far for 2013, temperatures and wind speeds have been much lower, and the total evapotranspiration rates are expected to be much more in line with numbers seen in 2008-2010.



Dairy Economics: What is the temperature of the NM dairy industry? Well, the fever is coming down, but we're still a little weak. Our inventory numbers show that New Mexico is roughly down 20% in dairy numbers, about 10% in cow numbers but up 15% in milk production: an unbelievable story of resiliency, efficiency and ultimately sustainability. However, the bottom line in the dairy industry is still extremely shaky. Feed costs have retracted somewhat, but the future will largely depend on how the 2013

corn crop will shape up: with some of the drought conditions creeping back into the Western Corn Belt, corn prices have seen upward pressure the last week or two to hover right around the \$5/bushel mark. Current production costs probably still linger around the \$17/cwt mark while milk prices are projected to do about the same. Pressure on either one at this point could surely make that little light at the end of the tunnel either a way out or another freight train ready to hit the producers head on again. Other factors that could impact the livestock industry in "roman-style-fashion", i.e. by a thumbs up or down vote, are decisions by congress on issues such as the ethanol mandate, a farm bill with or without a dairy program, a continued resolution (likely for two years given 2014 is an election year), or a parity pricing scenario: without legislative action US farm policy would revert back to the provisions of the last permanent farm bill, the Agricultural Act of 1949. Maybe it would be nice to have a quick peek in that crystal ball!

Producer Spotlight

Duane Riggs, a third generation hay producer, and his wife Michelle, owners of DAR Farms, have been in the hay business since 2000. But Duane's farming experience goes back much further. "My dad made me go bale hay for my grandpa," he recalls, "then I went to work for a guy baling, then I started baling my own hay to get good quality." Duane is a "born and bred New Mexican." He started life in Las Cruces and grew up in Hatch, attending school in Truth or Consequences. After graduating high school he worked for the Santa Fe Railroad, but "I came back to farming, I like farming." He and Michelle married in 1978 and have one son, Justin Riggs, who works for the Army Corps of Engineers.



Duane initially produced his own hay, beginning with 150 acres, doubled that and continued to expand to 500 acres. Within three years of starting his own hay business he had to buy another baler. He started out with a John Deere sickle mower and wore out four of those. Then he wore out two of the older style balers, a 4900 and a 4910. Now he uses a 2190 model 4 X 4 baler.

Later, Duane shifted focus to custom baling. He rented land out for hay production and worked producing forage for the area dairies for years. In fact, Duane was instrumental in helping many of the dairies get started producing their own hay. In the past, he has worked for Hatch Valley Marketing and was employed by Las Uvas Dairy for six years doing their hay production. "When I started, my grandfather baled for Price Black Dairy and I still bale hay for the new owners (Caballo Dairy now) thirty years later. He says "The way they do business is the same. They still do business with the community. Your word is your contract" he says with respect. "If you start young, building roots with these dairies, it should pass on."

The most he ever had in production was 1800 acres of alfalfa and 1000 of oats and says "I was tired that year." He had his son and son's girlfriend working for him and often employed other college students to help out during crunch time. Michelle has also been a tremendous help working alongside him. Now, he says they do about 400 acres of custom hay work.

Duane served on the NM Hay Association board of directors during the time Doug Whitney was President. A few years ago he stepped down from that role for health reasons. He doesn't produce any of his own hay right now but still does custom baling work. His primary customers are "alfalfa growers who don't want to get up and go bale hay at four in the morning." Hay equipment is expensive, he points out, and often smaller growers find it more economical to hire a custom baler than to own their own equipment.

The Riggs' enjoy going to the lake in their free time or taking their Ranger ATV up to the mountains to just do some exploring with friends.

Article by: Karen Ray, *Remembering the Time*, Las Cruces, NM.



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