



# New Mexico State University

## Extension Plant Sciences

### Alfalfa Market News

New Mexico Hay Association, [www.nmhay.com](http://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/Curry/Roosevelt	County Agent; Other Contacts	Mostly speculation; \$275-285 large del from out of state		Wheat hay up to \$175-185	1 <sup>st</sup> cuts started; cold weather slowing growth and reducing early yields; early cut wheat hay due to freezes
Colfax	Boe Lopez, County Agent	\$280	\$230	\$200	1 <sup>st</sup> cuts about 8 weeks away; very dry and windy
Dona Ana	Teresa Dean, County Agent; Other Contacts	\$230-275 large; \$8-10.00 small bales		N/A	1 <sup>st</sup> cuts 50%; high demand with most in dairy contract; lack of water/cold weather affecting early yields; some alfalfa weevil
Eddy	Woods Houghton, County Agent	N/A		N/A	Cuts depending on location and water; 1 <sup>st</sup> cuts started in Artesia area, not Carlsbad; slow market; cold/frosts slowing cuts
Lea	Wayne Cox, County Agent	\$13.00+ small if available	\$12+ small if available	Grass hay \$10-12/bale	1 <sup>st</sup> cuts delayed due to weather
Luna	Jack Blandford, County Agent; Other Contacts	\$230-275; \$15.00 3-string		N/A	1 <sup>st</sup> cuts 25-35%; wheat hay being cut; slow market, mostly for 2 <sup>nd</sup> through 4 <sup>th</sup> cuts; warm days/cool nights; very dry
San Juan	Craig Painter	N/A		N/A	1 <sup>st</sup> cuts 0%; Market slow; dry and cold; pest conditions low
Valencia/Socorro	Miscellaneous Contacts	\$9.50-11.00 small squares; \$15.50 3-string		Grass hay \$8-11.00/bale out of barn; \$7 cow hay	1 <sup>st</sup> cuts delayed due to cold weather

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

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

#### Seasonal Outlook – As Blurry as Ever

Mark Marsalis, Extension Forage Specialist, NMSU Extension Plant Sciences Department

As a general rule, I stay away from trying to predict what will happen in the future, and really all we can do in our line of work is make crop management and marketing recommendations based on past experiences, research results, and the ‘most likely scenario’ that might occur. But in the first installment of the *Alfalfa Market News* for 2013, I thought I’d take a stab at peering into that ever-foggy crystal ball and see if we can make some plans for what’s shaping up to be another tough, dry and water-shortened year. At this point, I think most folks would agree that the 2013 hay growing season is going to be a challenging one to say the least. Marketing what we do have in storage or what we will make this year, however, may be a different story. Then again, maybe not. How’s that for walking the fence?

#### Current Situation

Drought continues to grip all of NM and the weather experts are predicting that there isn’t really any relief in sight. Combine that with back-to-back drought years, another less-than-average snowpack season in the mountains, and diminishing well supplies and you have a recipe for widespread water shortages throughout much of the state. Most storage reservoirs are at or near record lows and releases are predicted to minimal, early-season only, or none at all.

Late-season cuts could be severely shortened as water is shut off. This has left growers scrambling for other forage options that will give them the most bang for their water buck now while they have at least *some* water. Some have even considered spring planting of new alfalfa fields in an effort to get stands established prior to the water being turned off. On that, our recommendation is still to not plant alfalfa in spring and consider a summer annual that will be quicker to establish and produce a lot of tons on just a little water. Summer annual options include sorghums, millets, and teff and crop selection will depend on specific goals and marketing (i.e., livestock utilization) options. For more information on forage options for New Mexico visit: <http://forages.nmsu.edu/> or contact your local Cooperative Extension County Agent.

### *What's the Holdup?*

Late cold snaps in NM have hindered or delayed 1<sup>st</sup> cuts. Recent freezes and snow in Colorado and other surrounding states may reduce and delay 1<sup>st</sup> cut yields and perhaps lead to fewer cuts of hay coming into NM for the year. We are seeing delayed 1<sup>st</sup> cuts even into the southern reaches of the state because of these cold snaps. This is not coinciding very well with early water availability and getting the most out of those precious drops of water is tough when recurring freezes set the crop back. The cold is also hindering our ability to get summer annuals off and going.

### *Other Shortages*

Those hoping that 'other' hay crops will help relieve some of the pressure on the overall forage situation in the state may be in for disappointment. The seemingly weekly cold snaps have also affected wheat crops to a significant degree in the region. Freezing temperatures late in the season will slow growth and reduce tonnages of small grain hays. In addition, as producers push these crops later into the year in an effort to recover lost tons, forage quality will decline, thereby resulting in more that has to be fed or other sources of nutrients purchased to offset the low feed value. Regarding summer annuals, there appears to be a shortage of sorghum (e.g., haygrazer) seed due to low seed production last year and high demand stemming from the drought. We're already hearing, and have been for a while, that producers are having trouble securing seed and are paying more than in years past. All of these setbacks and uncertainties are prolonging the effect of already tight supplies.

### *Dairy Situation (Contributed by Robert Hagevoort, NMSU Extension Dairy Specialist)*

The dairy situation has gone from bad to worse! Two years of extreme drought in the Southwest, one year of extreme drought in the Midwest, superimposed on the largest usage levels of corn for ethanol (around 45%) in our nation's history, has created the perfect storm for the dairy farms in New Mexico and throughout the country. Dairy numbers are down 18% from the high in 2003 and cow numbers are down 11% from their high in 2006. Yet producers never fail in finding creative ways to do more with less: milk production, despite all of this is up 16% since 2006! A magnificent story of efficiency and sustainability! When New Mexico loses a dairy, it loses about \$6.8M in direct revenue and about \$10.8M in total revenue in addition to the 22 direct jobs and 64 total jobs the dairy provides. These are the tangible losses. Fewer businesses contribute to the rural local tax base, local communities, schools and churches. And however strange it may sound, many feel it doesn't make any more water available because groundwater is adjudicated and will be put to alternative uses! At some point, when legislative changes are made to an old and counterproductive regulatory system, and a new safety net - based on margin insurance - is put in place, these highly efficient farms will bounce back! Milk prices are currently good but producers cannot take advantage of these good prices due to the extreme high feed costs and the scarcity of forage due to drought. Farmers have always dealt with natural ups and downs and price cycles, which is nothing new. What they are not able to deal with is with manmade disasters superimposed on the natural ones!

### *Where are Prices?*

You probably have already noticed that folks aren't talking much and early-season prices are as hard to come by this year as I've ever seen. Most of what has been obtained is speculation at this point. But looking at the overall situation, I have to believe that prices are going to start off high and likely remain high as we move through this growing season, unless weather conditions change drastically. The demand for any type of forage remains very high, but marketing your product, of course, will depend on the customers' ability to pay. In low-supply years, hay quality

plays less of a role in pricing and producers can chase more tons in an effort to increase profits. This is obviously a very difficult time for many of our dairies and horse owners in New Mexico. As usual, a compromise will have to be met, but just where that will be is anybody's guess right now. If history tells us anything it is that the small bale market will likely remain strong, but the large bale situation is much more fluid.

It has been said that "the only thing that is certain is uncertainty". While it may seem like there isn't much here to be encouraged about, one more thing is for certain. It will eventually turn around and many will come out on the other side stronger and wiser for having gone through it. We don't need a crystal ball to know that our producers are as good as any in the world and they'll adapt to any situation thrown at them. One such example of an outstanding New Mexico hay grower is highlighted below in our 'Producer Spotlight'.

### Producer Spotlight

This month's Producer Spotlight will highlight David Sterrett and his family of Sterrett Farms, Inc.



David Sterrett is a hay grower in Chaves Co., NM and also is a devoted board member of the New Mexico Hay Association. David grew up in Dexter and has lived New Mexico farming his entire life. His folks farmed 80 acres in Chaves County and drilled water wells for a living. He learned farming at an early age while helping his mother farm while his father was working during the week. David laughs and says, "My mom and the kids did most of the farming in those days, but dad sure lined us out on what we're supposed to be doing." His father quit the well drilling business and purchased more land and 200 head of sheep in 1971. David recalls having to take care of 'doggie' lambs in the bath tub and that he was the 'go-to guy' at birthing time because he had the longest, smallest arms in the family! When his father passed away, they got rid of the sheep and have never had any since!

In 1985, David, his brother, Marvin and his mom, Barbara started a 3-way partnership. David says they really got their big start in the late '80's when the dairies started moving into the area. They bought a used big baler and did custom work for other farmers. Then, in '91 they expanded again and bought land in Hagerman. Their operation's main focus today is hay and small grain production and they provide work for about 10 seasonal employees here in NM. In '06 and '07, they bought about 4000 acres in Oklahoma where they employ 4 to 5 year-round helpers and use back to back center pivots to irrigate.

David and his wife, Gina, married in 1995. They'll celebrate 18 years of married life this year and enjoy the company of five kids, some grown: daughters Charli and Cassie and sons Dennis, Jarrett and Hunter; and four grandchildren: Riley 6, Gavin 4, Alex 3, and Liam 2. Gina served for many years as the New Mexico Hay Association secretary, but has recently turned that role over to her daughter Cassie.

Cassie Sterrett pauses in the middle of a humorous story of a farm goof up to confide seriously, "I fit here." Like many a western daughter she was often with her dad as a little girl. After studying Ag Business in college she spent some time in other parts of the US but says "I always seemed to migrate back home." The swather is her favorite piece of equipment, but she also operates the rake and small baler. Her daughter, Riley, often goes along as she 'helps' her mom with the fieldwork. In addition, Cassie works in the office on the books and payrolls, invoicing, and marketing. Cassie grins and confesses that she's accident prone: "When I was still in high school Dad had baled all night and was grouchy. A ditch overflowed and I got stuck in the flooded field. I walked a mile to get a second truck, thinking I wouldn't have to tell my dad. Then I got that truck stuck too!"

Cassie and David enjoy elk hunting from horseback and both belong to the Cowboy Mounted Shooting Association (CMSA), which, by the way, is the fastest growing sport in the US. David has trained his horse, Dakota, a 19-year old going on 10, especially for the sport and together they have achieved a level four designation on the six point CMSA scale. Nicely done!

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



The Sterrett family at their property near Bonita Lake. David is in back with black hat.

\*\*\*\*\* **Producer Spotlight** \*\*\*\*\*

The New Mexico Alfalfa Market News has a new monthly article beginning this year! Our 'Producer Spotlight' will highlight the lives and accomplishments of some of New Mexico's hay producers. We hope you enjoy this new addition to the Alfalfa Market News. If you know of someone who should be highlighted in one of our editions, please contact Karen Ray at:

<http://www.rememberingthetime.net/>.

\*\*\*\*\* **Upcoming Events** \*\*\*\*\*

- Dairy Producers of New Mexico Convention and Trade Show, Ruidoso, NM, June 7-8, 2013. [www.nmdairy.org](http://www.nmdairy.org)



*Mark Marsalis*, Mark Marsalis, Extension Forage Specialist—New Mexico State University is an equal opportunity employer. All programs are available to everyone regardless of race, color, religion, sex, age, handicap or national origin, New Mexico State University and the U.S. Department of Agriculture cooperating.