

## Peace Region Grass and Legume Seed Market Update: Spring 2018

### Overview:

Wow, what a winter, snow, snow and more snow! Looks like the Farmer's Almanac needs new sources of information prior to making their predictions! Luckily, a quick snow melt followed by strong winds have made for quick drying of the regions' farm land, and hopefully, spring seeding will begin in earnest very soon. With the minds of farmers turning their attention back to the land, more awareness to the grass seed markets will once again prevail.



### Overview:

It appears as if the high prices for most grass and legume seed species, received by growers the past 2 to 3 years, have softened. With better production, price quotes have been pressured down. Supplies have been rebuilt by good yields the past two years. Last fall's harvest pressure pushed prices lower, and most have yet to recover, with many species continuing a downward trend.

Most local processors are reporting adequate seed movement over the winter, but nothing exceptional. With a long winter encountered throughout North America, spring demand is still pending.

Peace River Region Grass and Legume Seed Quotes (\$/lb.) 2013 - 2018

	2013			2014			2015			2016			2017			2018	
	Jan	May	Oct	Jan	May	Oct	Jan	May	Oct	Jan	May	Oct	Jan	May	Oct	Jan	May
Alfalfa Common	1.75	1.71	1.78	1.78	1.79	1.87	1.93	1.99	2.35	1.90	1.80	1.70	1.70	1.60	1.15	0.98	0.70
Alfalfa Certified	1.98	1.88	1.90	1.93	1.98	2.08	2.13	2.17	2.55	2.20	2.15	2.00	2.10	2.10	1.95	1.74	1.10
Alsike Common	1.22	1.15	1.23	1.25	1.22	1.31	1.28	1.28	1.35	1.44	1.45	1.55	1.60	1.45	1.35	1.26	1.00-1.25
Alsike Certified	1.30	1.28	1.40	1.32	1.36	1.53	1.46	1.36	1.50	1.64	1.65	1.80	1.70	1.65	1.60	1.54	1.50-1.50
Sweet Clover Common	0.76	0.73	0.69	0.70	0.72	0.70	0.74	0.77	0.80	0.72	0.68	0.50	0.43	0.45	0.48	0.48	.40-.45
Red Clover Common	0.76	0.74	0.85	0.84	0.85	0.85	0.93	0.89	1.10	1.37	1.00	0.90	1.10	0.95	0.95	0.91	.85-.95
Smooth Brome Common	1.88	2.13	1.30	1.38	1.50	1.63	1.90	2.08	3.05	2.96	2.85	1.55	1.60	1.40	1.25	1.20	1.00-1.10
Smooth Brome Certified	2.16	2.35	1.48	1.55	1.65	1.98	2.22	2.50	3.50	3.37	3.10	1.80	1.85	1.70	1.50	1.45	1.20-1.30
Meadow Brome Common	1.42	1.51	1.30	1.44	1.50	1.58	2.00	2.20	3.30	3.13	3.10	1.80	1.80	1.90	1.70	1.62	1.00-1.20
Meadow Brome Certified	1.69	1.76	1.53	1.65	1.67	1.90	2.25	2.50	3.40	3.43	3.30	2.10	2.20	2.20	1.85	1.87	1.15-1.35
Fescue Common	0.55	0.61	0.66	0.72	0.75	0.75	0.76	0.75	0.80	0.80	0.78	0.81	0.82	0.87	0.90	0.95	.85-.90
Fescue Certified	0.62	0.66	0.70	0.76	0.78	0.79	0.79	0.79	0.85	0.83	0.81	0.84	0.84	0.90	0.95	1.00	.90-.95
Timothy Common	0.82	0.78	0.73	0.68	0.65	0.66	0.65	0.61	0.60	0.54	0.51	0.26	0.28	0.28	0.29	0.35	.30-.35
Timothy Certified	0.95	0.92	0.85	0.83	0.84	0.79	0.68	0.79	0.70	0.67	0.65	0.45	0.60	0.57	0.54	0.54	.50-.54
high quote for that year	low quote for that year			note: if yearly high/low price occurs in Jan/May or Oct, it is noted													

## Creeping Red Fescue:

Canada's number one export crop continues to be quoted above historical averages. Spring quotes are now in the 85 ¢/lb. to 90 ¢/lb. range, down slightly from last falls' quotes of up to 95 ¢/lb. Canadian acres still remain below long term numbers, but lower demand (compared to the past), from the USA, have kept prices from skyrocketing. However, don't expect prices to move far from the current price point. Of course, the Canadian dollar will influence price quotes coming out of the USA, but a steady supply of creeper is needed for the USA market. Initial 2017 Oregon data shows their red fescue crop up by almost 20%, (up 1.9 million lbs. to 11.4 million lbs.). Canadian 2016/17 grass and legume seed trade data saw creeping red fescue exports rise by 20% from the previous year (up to 28.2 million lbs.), but still a far cry from when exports were in the 40 to 45 million lb. range. There isn't much interest in certified "creeper" at present, with a 3 ¢/lb to 5 ¢/lb. premium expected.

## Forage Grasses:

With abundant production the previous two years, bromegrass quotes, both meadow and smooth, have really fallen. Current quotes are 40 ¢/lb. to 70 ¢/lb. below year ago levels. Quotes for smooth bromegrass are in the \$1.00 to \$1.10/lb. range, with meadow bromegrass quotes \$1.00 to \$1.20/lb. Certified smooth bromegrass quotes are showing a 20 to 25 ¢/lb. premium, while pedigreed meadow bromegrass quotes may only have a 15 ¢/lb. premium.



Meadow Bromegrass

The overproduction of timothy the past few years has yet to move through the system. Despite acres decreasing, abundant seed from the enormous crop from a couple years ago still remains in farm bins. Prices quotes for timothy have settled in the 30 ¢/lb. to 35 ¢/lb. range. Certified varieties remain in the 50 ¢/lb. to 54 ¢/lb. range. It is hoped that this year's domestic usage and exports will alleviate this surplus problem. Don't expect any price improvement until this surplus is moved.

## Legumes:

Unfortunately for alfalfa seed, like the timothy seed production a couple years ago, the 2017 alfalfa seed crop across Western Canada was ..... HUGE! And, like timothy seed prices, alfalfa seed price quotes have tanked. Quotes are now in the 70 ¢/lb. to 75 ¢/lb. range. Average quotes a year ago were up to \$1.00 higher. Last falls' quotes were still over \$1.10/lb, but that drastically changed as the yields from Southern Alberta and Saskatchewan came in. With alfalfa seed being one of the grass/legume seed sectors larger export crops, it is hoped foreign buyers, besides the USA and China, come up to the plate for more Canadian alfalfa seed. A more diverse export market would be nice.

Quotes for red clover and alsike clover seed have softened a bit from the fall. Price quotes for common red clover are in the 85 ¢/lb. to 95 ¢/lb. range, with common alsike clover quotes \$1.00 to \$1.25/lb. Certified alsike seed quotes are in the \$1.30 to \$1.50 range. Hopefully, with alsike seed used in the reclamation industry, oil prices will continue to be strong and support this certified price. Acres remain relatively unchanged, although new red clover seedling fields (2017) did encounter establishment problems.



Seedling Red Clover

### Summary

The laws of supply and demand have held true the past few years in the grass and legume seed sector. Although other factors now influence the prices we receive for our commodities, the main factors, those being “supply” and “demand”, showed their influence in the timothy seed market (2 years ago) and now, the alfalfa seed market. Available supply has simply exceeded demand (usage).

There isn't any recovery in acres of any of the species, with existing acres remaining relatively unchanged for most species. Unless new usage is encountered this upcoming year, or a hic-cup occurs with supply (crop failure!), don't expect prices to recover quickly. As with other crops, if you have enough income from other sources (traditional grain and oilseed crops, livestock), a strategy used by many growers once financial commitments have been met, is to store. Remember, a 10 ¢/lb rise in a crops' quote on a \$1.00/lb. product is still 10%, much better than you get in a bank nowadays!

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May 12, 2018