



## Market Watch

Sometimes it helps our decision making to find out what others think the future holds. So with that in mind, here a bit of a peek into what the future might bring regarding prices on selected crops based upon current market and new crop booking activities, as we know them. By new crop, we are referring to harvest '05. And, of course, our perspective...feel free to let us know yours.



**Kentucky Bluegrass** - Most new crop '05 bookings have been at levels that are about a 6% lower than the prompt market. That might be one reason why there has not been much forward booking for spring. This may lead to some enjoyable prompt business in the spring, but might come at increased pressure for lower prices. As we get later in the spring, any showing of crop worries might cause the new crop price to come in line with prompt pricing. If there are not apparent crop woes and a slower than desired spring start, watch for the prompt market to continue to fall.



**Creeping Red Fescue** - Somewhat opposite of the bluegrass market, the new crop creeper price is 5% higher than the prompt with a continued plea from Canadian growers about the need to raise their price. If consumption didn't remain such a dominant force in determining price, we'd all be paying 20% higher prices! But, regardless of higher costs and a weaker dollar, the market doesn't seem to want to go up. If recent history repeats itself, and demand is normal or below normal, the '05 new crop price just might fall to meet the prompt market by mid to late spring. But, if consumption exceeds expectations and spring demand at least 'feels' strong, then expect late spring prompt price to become the same as new crop by April or May.



**Oregon-grown Fine Fescue** - Surely this crop is our industry's roller coaster ride, either on a steep climb or a ludicrous descent. It's high this year and will stay that way until at least a ways into new crop.



**Annual Ryegrass** - "Steady as she goes!" seems to be the tone of Annual Ryegrass. While prompt purchase may be 5% lower than the new crop market, there isn't much indication that the price will go anywhere one way or the other. Although last year's large export market is not nearly as strong, farmers and producers are very comfortable with inventory levels and the current projected crop.



**Tall Fescue** - Most think that '05 new crop has the potential to be stronger than the prompt market, especially if movement is good. With tall fescue still plugged into packagers' formulas at a higher rate than previous years, increased interest in proprietary varieties into the Northern half of the U.S., and an overall better 'feeling' about inventory, it would not be a surprise to see tall fescue new crop prices be 5-10% higher than current prices.



**Perennial Ryegrass** - The Perennial Ryegrass Bargaining Association (PRBA) continues to be a real factor in how the ryegrass market price is established, as well as how forward purchases/sales are conducted. So much so, that we really couldn't say too much about what new crop PRG price might be, except that most folks think it still has some downward adjusting to do - maybe 6-8%



**Orchardgrass** - Nothing to get real excited about with this crop, except a hope that yields will be better and fields will be cleaner next year so that the developing proprietary market will not be hindered by a lack of supply of specific varieties.