

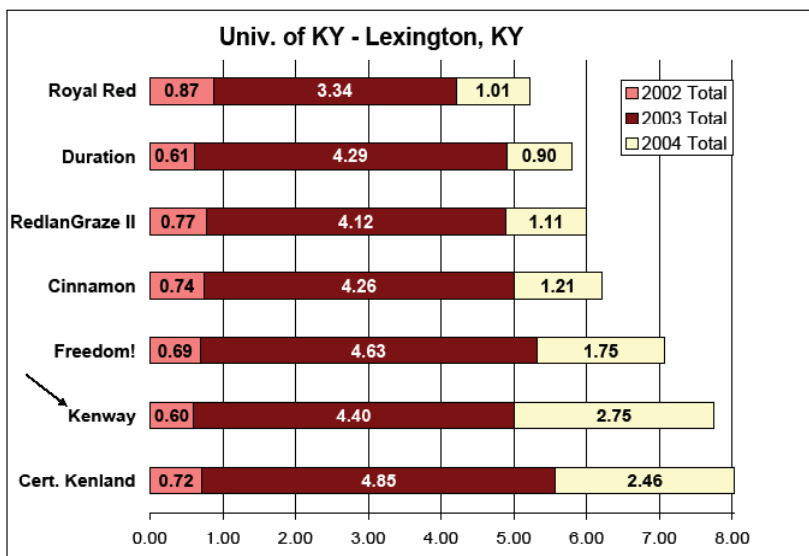


Market Watch

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



The University of Kentucky has published their most recent trial results, and we like what we see! Here's an update on three Smith Seed varieties in those trials:

Kenway Red Clover - This variety bred by UK's Norm Taylor. It has been bred for improved resistance to clover mosaic virus, mildew resistance, and southern anthracnose. In trials sown April 2002, Kenway has rated the 2nd highest variety for 3-year total and the highest yielding red clover for the third year. This graph says it all:

Variety	2002 Total	2003 Total	2004 Total	3-Yr Total
Cert. Kenland	0.72	4.85	2.46	8.03
Kenway	0.60	4.40	2.75	7.75