



Thankful For A Smooth Harvest

We are very thankful that this year's harvest has been pretty smooth - especially since demand has been exceptional. All grass crops are out of the fields; all legumes have been cut and many already combined.

While cleaners generally stayed ahead of shipping early last month, August has not be without shipping delays, due both to cleaning pressure and backups at testing facilities. This pressure is expected to continue for the next 30 days or so.



Regarding seed quality, so far, we have seen pretty clean annual ryegrass, forage fescue and orchardgrass. Unfortunately, we have been fighting higher levels of rough stalk bluegrass (*poa trivialis*) and annual bluegrass (*poa annua*) infestations in the turf fescues and turf ryegrasses. This is forcing cleaners to go slower and requiring more lots to be either re-cleaned now or set aside to be re-cleaned later.

Regarding yields, the general consensus is that all the grass crops are no more than average, and most below average.

Outside of the Valley, Kentucky bluegrass processors have told us that their harvest was very light, with poor yields and reduced acres. Placement for bluegrass acreage continues to become more difficult. Already expectations for 2013 harvestable acres are down.



Market Watch

Over this past couple of months a few noteworthy pricing events have occurred, all relating to increased prices. First, new crop tall fescue pricing increased significantly. And with little carryover at all levels of the industry, those price increases have moved quickly all the way through the distribution channel. For comparison's sake, distributor pricing is somewhere around 40% higher than it was for the same time last year. If strong early demand is an indicator of the fall season, that demand will keep those prices high throughout fall and likely into spring.

The second eyebrow-raising event relates to crimson clover. Crimson clover today is 80+% higher than it was this time last year, with almost all that increase coming the past 90-100 days. Contributing factors are 1.) no carryover and 2.) rapidly increasing demand, and 3.) a perceived value at multiple price levels (so far.)

The final price increase we will comment on is annual ryegrass. We have seen a very steady price in this market for the past number of months. Demand has been good and carryover was virtually nonexistent. There have been two small bumps, within the past three months. These, at least for now, seem likely to hold through the fall marketing season. After that time, prices may go one way or the other based on how fall consumption actually goes, overseas interest for winter, and final yield numbers.

Markets to watch include Canadian produced forages, creeping red fescue, and Kentucky bluegrass, all of which have both fairly low inventories, smaller 2012 harvests, and potentially even smaller 2013 acres. Demand in any of these sectors could create some price jumps over the next 6-12 months.