



Market Observations

It is likely that most all who read this report have never experienced times like this. While we can all remember seasons when select items were either high priced or unavailable, it seems that we are in unprecedented territory with the number of products that fit into both categories.

We all have inventory that sort of scares us. We hope it sells at the price we have bought it. So far it has and no one has any buyer's remorse. Most of you are well prepared for the first wave of spring. You've quoted prices and are filling first dealer orders. Will they reorder? Will the weather and demand be favorable? These we do not know. For the most part, it feels like its hand-to-mouth time. Buy what you need at today's price and see what happens may be a good strategy in general. We will likely see few prices fall over the next 60 days. Rather, we may see more items become unavailable or higher in price.

Contrary to this, is the fact that some of your suppliers may now be offering items that they earlier said they were out of. Don't take that as a sign the market now has a glut or seed isn't moving. It is more likely the case that what they are offering finally got cleaned and/or they now have a clearer idea of actual seed amounts vs. earlier projections.

The next two buying windows will be challenging for us all. Pre-new crop harvest and post-new crop. We are all in the same boat as to trying to figure out what the right buying and selling price will be, and frankly have few solid answers, but wish you the best!

Crop Update

Let's start with the good news: Willamette Valley received adequate and timely moisture this fall, helping out both damaged perennial crops as well as providing necessary moisture for new plantings. Generally speaking, fall new plantings have good growth. In fact, some of them have such good growth, they will need to be grazed (mostly with sheep) to knock back the vegetative growth. Although the cutworms and armyworms were active this fall, it seems like the severe damage was not widespread. At the time of this writing, growers are actively planting spring crops, taking advantage of favorable weather and soil moisture. We anticipate a good bit of planting activity to be completed by the first week of March.

Annual ryegrass, perennial ryegrass and tall fescue fields generally look good. Of course, there are exceptions, including select tall fescue fields that simply did not recover from last year's drought and insect damage. While many of the newly planted perennial ryegrass acres should perform well, it is also worth noting that due to high prices, some farmers have planted perennial ryegrass on more risky ground. These may lead to poor quality stands.

Orchardgrass seems to be banged up still, with the exception being the new plantings. These look good.

Kentucky bluegrass is predominately grown in the US regions of Washington, Idaho, and Eastern Oregon. For the remaining 2021 crop, the consensus is there will be little to no carry into fall. The 2022 harvest is a mixed bag at best. Irrigated acres are reserved for improved proprietary varieties. These fields look good and growers are mostly optimistic. In contrast, the "dryland" production fields are more concerning than not. There are enough older and weaker stands which did not see relief from the drought damage to give concern about overall yields on the named 98/85 and commodity-based proprietary varieties.

Further, some of this region is expected to be adversely affected by water regulations this year. And finally, available cash crops are quite attractive for both irrigated and non-irrigated regions. As a whole, Kentucky bluegrass production is facing challenging times.

Outside of the States, we expect creeping red and timothy crops to be heavily watched due to the deficits of 2021. Down under, the recent harvest of perennial ryegrass and white clover are under siege by too much water at the wrong time, with significant rainfall on crops lying in the field. Sprouting and shattering are the biggest concerns, both ultimately resulting in crop reductions.

