

Fall 2014 Peace Region Grass and Legume Seed Market Update

Overview:

Price seed quotes for most Canadian grass and legume seed species remain steady, as prices remain moderately above long term averages. However, with the lack of acres and potential production, are these present day quotes now becoming the norm? Acres of all grass and legume seed species have fallen to all-time lows, and with new farming methods and the size of machinery these days, one wonders if the days of vast fescue and clover fields in the Peace region will ever come back.



With these changes in farming practices also comes a change in the marketplace. We are definitely in a global marketplace, with prices influenced by what's happening throughout the world.

Grass and Legume Seed Quotes, Oct. 2014							
		Jan	Oct	Jan	Oct	Jan	Oct
	\$/lb	2012		2013		2014	
Alfalfa	Common	1.52	1.70	1.75	1.78	1.78	1.80-2.00
Alfalfa	Certified	1.68	1.95	1.98	1.90	1.93	2.00+
Alsike	Common	1.05	1.16	1.22	1.23	1.25	1.15-1.25
Alsike	Certified	1.25	1.33	1.30	1.40	1.32	1.20-1.30
Sweet Clover	Common	0.80	0.72	0.76	0.69	0.70	.60-.70
Red Clover	Certified	0.76	0.73	0.76	0.85	0.84	.65-.85
Smooth Brome	Common	1.16	1.71	1.88	1.30	1.38	1.60-1.80
Smooth Brome	Certified	1.23	1.97	2.16	1.48	1.55	1.90-2.00
Meadow Brome	Common	1.06	1.35	1.42	1.30	1.44	1.65-1.85
Meadow Brome	Certified	1.22	1.59	1.69	1.53	1.65	1.90-2.00
Fescue	Common	0.46	0.50	0.55	0.66	0.72	0.75
Fescue	Certified	0.52	0.57	0.62	0.70	0.76	0.79
Timothy	Common	0.68	0.80	0.82	0.73	0.68	.60-.70
Timothy	Certified	0.79	0.94	0.95	0.85	0.83	.65-.75

Creeping Red Fescue:

The Peace country's grass seed industry, with its huge reliance on her creeping red fescue crop, has to look south west into Oregon to see what's happening there. This past year saw Oregon's production of turf grass seed come off with good yields, and acres were up for most crops. However, with stocks at low levels, prices continued to be steady.

Quotes for Canadian “Creeper” remain quite steady, with prices inching its’ way up to the 75 ¢/lb. mark, with most processors reporting steady shipments. This year’s crop was reported to be slightly below average, and acres continue to be at historical lows. Trade data continues to show a decrease in creeping red fescue exports. Historically, the Peace region annually shipped 40 to 50 million lbs. of creeper, but the past 5 crop years saw exports average 23.2 million lbs.

Canadian Creeping Red Fescue Exports, 09-10 to 13-14 (Mil. Of lbs)					
	Jul 09-Jun	Jul 13-Jun	Jul 13-Jun	Jul 13-Jun	Jul 13-Jun
Millions of LBs	10	14	14	14	14
CRFescue, Cert	4.8	6.2	14.0	6.0	2.9
CRFescue, O/T Cert	16.5	13.8	13.0	19.1	19.5
Total CRF exports	21.3	20.0	27.0	25.1	22.4

Forage Grass Seeds:

2014 saw production of the brome grasses in the Peace experience growing problems. As a result of the dry weather conditions, less than average crops were produced. However, with a lot of the Peace’s timothy seed production located in the South Peace, which received some timely showers, timothy production is considered average. Reports out of Manitoba and Saskatchewan also indicate a decent timothy seed crop, despite harvest concerns. Supplies of both smooth and meadow brome grass seed are considered at very low levels, pushing price quotes to rebound significantly from this past years’ quotes. Until better production numbers are arrived at, expect brome grass seed quotes to remain strong, and may hit the \$\$2.00/lb. mark again! Timothy seed prices, with a decent crop across the prairie, may soften in the near future.

Legume Seeds:

Harvest of alfalfa seed in many regions of Manitoba and Saskatchewan has ground to a standstill, with many alfalfa seed fields left to be harvested. Brooks Alberta’s growers are expecting an overall average crop, with some growers affected by summer hail storms and recent rains. There are still a lot of acres to be harvested across the prairies. If the alfalfa crop harvest in western Canada suffers from these weather conditions, expect prices to strengthen. Quotes for common alfalfa have remained strong this year, and may improve, especially if some crop is left in the field. Prices have remained above \$1.75 this past year.



Manitoba farmland: June 2014

With the dry conditions affecting the Peace countries clover crops, low yields were encountered, to go along with lower acres. This shortfall of clovers has seen price quotes for these two commodities remain well above historical price levels. Alsike seed (\$1.15 to \$1.25/lb.) continues to be in good demand, while a good clover seed crop in Oregon has kept red clover seed quotes (65 to 76 ¢/lb.) in check, at least for now. Growers who do have seed to sell, should remember that in the clover trade, quality seed sells.

Summary:

Today's younger producers, with larger equipment, no longer look to "grass seeds" as a cash crop. It is very unlikely that grass and legume seed production will recover to previous acreage levels, but that doesn't mean that a few extra acres of a certain grass/legume species won't flood the market. Returns for grass/legume seed, compared to annual crop production, have improved in comparison. However, with low production acres in the ground, do not expect an explosion of production in the next few years. The quotes you see today may be the new "average" in years to come.

