

Turf, Forage and Legume Seed Market Update: July 26, 2006

Overview:

The Spring of 2006 in the grass seed business may become the “Spring of the Turn-around” for many grass species. With inventories lacking in the pipeline, new orders helped clean out end-user warehouses, with the mission now getting the pipeline restocked with new inventories. Of course, this inventory had to come from somewhere, and resulted in processors busy cleaning all spring to replenish the pipeline, and in so doing, helped draw down supplies which have been carried for a number of years. The big beneficiaries were creeping red fescue and meadow brome grass.

Table 1: Grass and Legume Seed Quotes

	July 06	Feb 06	Sept 05	Feb 05	Sept 04
Fescue, CR	40	30	25-30	43-45	48-50
Brome, Smooth	65-75	45-55	50-60	50-65	55-65
Brome, Carlton	75	55-65	60-65	65-75	70-80
Brome, Meadow	55-65	30-35	25-35	25-35	40-50
Timothy	20-22	18-20	18-20	25-30	25
Timothy, Climax	40-45	40-50	30-32	35-50	30-35
Alfalfa	100-110	85-100	90-110	100-110	70-80
Red Clover	65-75	60-70	50-60	75-90	40-50
Alsike Clover	30-35	30-40	30-40	60-70	40-50
Sweet Clover	20-25	18-22	15-25	20-45	40-50
Crested Wheat	20	<20	<20		
(\$/cwt CDN for common seed unless specified)					
Note: all prices = paid to the grower after cleaning/bagging					

Turf Seed Markets

With the other lower-end products short (K-31 tall fescue and annual ryegrass) due to last year's U.S.A. production shortfall, end-users came looking for Canadian creeper, resulting in record spring cleanings and shipments from processors. Grower prices rose 25% (from 30¢/lb to 40¢/lb), but were held in check by 1) the rise in our Canadian dollar and 2) threat of end-users looking elsewhere (i.e.: Denmark). Canadian creeping red fescue exports have been increasing for the past 5 years, with low prices and good production generating additional sales. It will be very interesting to see export numbers for what occurred this past spring.

Table 2: Canadian Creeping Red Fescue Exports (1999-2005)

Year	Total CRF exports (MT)	Value (millions CDN \$)
1999	17,626.0	36.0
2000	15,867.2	37.5
2001	15,808.2	29.9
2002	17,088.2	24.8
2003	17,875.2	22.9
2004	18,868.4	27.3
2005	20,920.4	28.3

This year's creeping red fescue harvest is underway in the Peace country, with yields quite variable. Acres will be down from last year, as will production. Last year's crop was above average, but with a dry fall, a dry spring (until the rains came in late May), an average crop at best is expected. The early spring and subsequent hot weather has resulted in an early fescue harvest in the Peace. Early indications out of the US have reports that the Missouri K-31 common tall fescue crop will once again be short due to that area's winter drought. As well, Oregon's Willamette Valley saw perennial ryegrass fields in the north end come out of winter in less than ideal shape, with some fields subsequently worked under. Late heat may also have affected their seed crops. (tall fescue, perennial ryegrass). Creeper prices are presently quoted at the 40¢/lb mark, but there is room for improvement. Processors are filling their bins with old and new seed in anticipation of new sales, and to get inventory levels back up following this springs excellent fescue seed movement.



Creeping Red Fescue harvest, Peace River Region of Canada

Forage Grass Seed Markets

Good forage seed movement this spring helped bite into supplies and overall, give stronger support for prices. The big move in prices occurred with meadow brome grass. Seed prices rose to the 60-65¢/lb range, following excellent spring usage and no clean seed available from processors (at least in the Peace region, who were too busy cleaning fescue to switch over to clean other crops). Smooth brome grass seed remains good with quotes in the 65 - 75¢/lb range, while timothy seed remains in the 20¢/lb mark. With export timothy hay fields topping out, and lots of inventory, prices have remained pressured.

Legume Seed Markets

Alfalfa prices remain constant over the spring, with prices in the \$1.00 to \$1.10/lb range. Red clover prices remain strong, in the 65-75 ¢/lb range. However, weevils have been spotted in Saskatchewan fields, and clover case borer adults have been found in fields in the Peace. Last year saw Peace region red clover yields affected by this insect.

Alsike seed is now in the 25-35 ¢/lb range, with plenty of fields around. Sweet clover prices have fallen to the more traditional 20-25 ¢/lb range.



Blossoming Red Clover Field

Summary:

The grass and legume seed harvest is underway right now, and will continue now for the next 6-8 weeks, depending on the crop. However, this harvest will determine prices for the fall and over the upcoming winter. We have already heard of Missouri's tall fescue crop being short, the Peace region's fescue crop being average at best, while the smooth bromegrass seed crop in Kansas was also short. Other questions are arising: how did the winter and late heat affect the perennial ryegrass crop in Oregon?, did their annual ryegrass crop recover after last year's big shortfall?, how much bug damage is in this year's red clover seed crop?

Look for an update in the near future, til' then, have a safe yet bountiful harvest.....

David Wong
Alberta Agriculture, Food and Rural Development
Grande Prairie, AB
Ph: 780 538-5289
E-mail: david.k.wong@gov.ab.ca
July 26, 2006