MOVING TO MARKET - "CALIFORNIA STYLE"

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As I looked back through the proceedings of past Alfalfa Symposiums, I was amazed at all of the problems one must overcome to produce alfalfa. I am glad to see you survivors here, attending another symposium. From weevils, nematodes, salt, weeds, aphids, smog, rodents, diseases, drought and economics, the list goes on to constantly challenge the producers of approximately 2 million acres of California farmland. Year after year we do survive and gather here to pick up a few more pointers to aid in our survival during the upcoming year; or we simply come to relax after a long summer of productive work.

In California, over 800 miles in length and from below sea level to 5000 feet in elevation, alfalfa hay is produced for the California market. What I will try to do today is to briefly bring you up to date on some interesting trends in the movement of alfalfa hay to our various market places. Nowhere in the world is hay transported over such great distances as it is in this state. With energy prices soaring and other transportation charges heading skyward, we must wonder if we can survive this trend.

Our number one customer of alfalfa hay in California is the dairyman. Quoting from a dairyman on this program several years ago, he said, "Alfalfa hay is the backbone of the feeding program on our dairy." In general I feel this is true throughout the entire California Dairy Industry. Dairys can relocate closer to feed supplies and some certainly do. At present the main reasons for relocating are more closely tied to alternate land use on present sites, than to the economics of alternate feed locations. Milk transportation is done much more efficiently today, milk moves intra-state with ease, and inter-state shipments are very common. So it remains safe to say alfalfa hay will continue to move relatively long distances to satisfy the demand of good quality hay for our dairy industry. Quality alfalfa remains high on the list of dairymen with high producing herds. Quality and quantity also rank high with producers of alfalfa. Bringing these two together, somehow, some way, creates a market situation described at this symposium in 1978 as "a horse trading atmosphere that is typical of present day marketing". Not a very sophisticated marketing description for a 400-500 million dollar crop, but probably a pretty good description of the system as it functions today. Most agricultural commodities traded today are handled with much more control and sophistication than alfalfa hay.

1979 will be a record year for importing hay into California, surpassing the previous highs of the drought years. Nevada hay is still the dominant factor and Utah continues to increase their shipments to our marketing areas.

ALFALFA HAY TRUCKED INTO CALIFORNIA BY STATE OF ORIGIN 1979
(in short tons)

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP |
|---|---|---|---|---|---|---|---|---|---|
| COLORADO | - | - | 21 | 25 | - | - | - | 21 | |
| IDAHO | 1,073 | 1,213 | 909 | 1,486 | 946 | 592 | 1,046 | 1,061 | |
| MONTANA | 93 | 23 | 174 | 167 | 101 | 46 | 251 | - | |
| NEBRASKA | 26 | - | - | | - | - | - | - | |
| NEVADA | 38,576 | 29,567 | 34,369 | 16,107 | 6,326 | 6,108 | 11,262 | 13,156 | |
| NEW MEXICO | - | - | - | 24 | - | - | - | - | |
| NORTH DAKOTA | - | - | - | - | 26 | 25 | 24 | - | |
| OKLAHOMA | 21 | - | - | - | - | - | - | - | |
| OREGON | 1,551 | 2,085 | 2,918 | 1,154 | 17 | 682 | 2,026 | 1,328 | |
| UTAH | 7,673 | 4,910 | 5,999 | 5,605 | 4,188 | 4,271 | 7,042 | 11,071 | |
| WASHINGTON | - | 25 | 16 | 67 | 10 | 76 | - | 2 | |
| TOTAL | 49,013 | 37,823 | 44,406 | 24,635 | 11,614 | 11,800 | 21,651 | 26,639 | |

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The majority of the out of state hay moves to the Petaluma Dairy area and the northern San Joaquin Valley.

The inter-mountain growing areas of California continue to become more active in the production of dairy type hay. In the last four years Siskiyou, Modoc and Shasta counties have shipped the majority of their hay to the Northern Dairy areas. I look for these trends to continue. With better management, better irrigation and the new mechanical equipment in these areas, the quality continues to improve.

Let's look briefly at the export markets that exist for our alfalfa products. The general decline on sun cured alfalfa pellets for export continues. The general opinion in the trade is that these supplies will continue to be from the Northwest and from Canada. The energy required for the dehydrated alfalfa products has virtually moved this production to the same areas.

Alfalfa hay cubes continue to show moderate demand for export. The Japanese market is anticipated to grow about 10 percent this year. Japan remains our only large customer of cubed alfalfa. Hawaii buys alfalfa cubes for their domestic dairy and beef consumption; it will remain a steady, small user of California alfalfa.

In summary, the present demand seems to be filled from the traditional production areas with an increasingly greater reliance on inter-mountain and out of state production. Transportation costs will remain a vital factor to determine if this type of marketing can remain competitive.