

## BENEFITS AND PROBLEMS OF A NEW HAY GROWERS ASSOCIATION

Richard A. Stockett  
President, Intermountain Hay Growers Association  
and  
Daniel B. Marcum  
Farm Advisor, McArthur

The Intermountain Hay Growers Association is an organization of hay growers of high elevation mountain hay in Shasta, Lassen, and Modoc Counties. Alfalfa hay and grain are the traditional commodities in this area where the 3-4,000 ft. elevation limits the crop season to 100-120 days. Traditionally, the area has been a cattle ranching area with livestock on public ranges in the summer and feeding of hay in the winter. At one time, there were some dairies in the area, but they have disappeared because of costs and regulations favoring larger production units.

Recent land sales and reduction of public lands grazing permits have reduced the size of local farming and ranching operations. New crops such as strawberry plants, potatoes, onions, and garlic have provided some increased cash flow for producers, but alfalfa hay has remained a basic commodity. Many producers harvest 6 to as high as 8 tons per acre in a season on a 3 or 4 cut schedule and stands last up to 8 years. Alfalfa is harvested on a 40-45 day schedule virtually assuring weed free hay after the first cut and existing herbicides can easily control first cut weeds. Because of cooler grower conditions at mountain elevations it is possible to produce 54+ TDN hay on all harvests for our export hay sales.

Traditionally, most of the alfalfa hay has been sold locally to cattlemen at prices determined largely by the cattle market. The hay was sold during the summer to cattlemen who had purchased hay for years. The hay growers liked selling to the same buyers year after year. However, the growers did not fully realize the impact of quality differences of hay or the value of top quality alfalfa hay in the local, regional, or statewide market. Pricing was on the basis of the value of dry cow hay. Hay growers were not aware of alternative market outlets or changes in the hay market. The only source of local market news was from conversations between growers which was variable and not always accurate. The Federal-State Market News reports were read, but not closely quoted.

In recent years mountain hay growers have become aware of the fact that there are a variety of methods and opportunities for selling alfalfa hay. Growers have also constructed considerable hay storage which has enabled them to maintain hay quality for winter sales. They have discovered a very good hay market in dairies in the Stockton and Petaluma areas. Additional hay markets have been developed with feed store, horse stables, and dairy goat herds. As a result of these activities, Northeastern California alfalfa hay has become a popular buying area for hay users and brokers because 1) adequate quantities of top quality, weed free hay are available, 2) growers are willing to finance and store purchased hay, and 3) growers are willing to take a discount equivalent to a portion of the freight to major central valley delivery points.

Problems of a great variation in hay prices still occurred as many growers were not aware of the value of mountain hay in these new markets. Hay growers still priced hay according to dry cow hay values and the local word-of-mouth exchange of market data was not factual enough to provide growers with a precise picture of the local hay market. Buyers and brokers coming into the area always had a better picture of the market because of their diverse and direct involvement in the market. The growers needed a method of obtaining factual market information. Further, there was also a need for an educational forum to encourage all growers to produce high quality hay to maintain and improve the regional reputation for quality hay production.

The hay growers held a meeting in the Spring of 1979 to form an organization to accomplish these goals. Eight self-appointed directors interested in an organization met throughout the summer to draft a constitution which was formally adopted at a general business meeting in the fall. The goals of the organization set forth in the constitution were as follows:

1. Collect and distribute local hay market information among members.

2. Inform hay buyers and other interested parties of the superior quality of the Intermountain Hay.
3. Encourage members to produce high quality hay.
4. Encourage members to market Intermountain Hay at a fair and uniform price based upon its quality.

To implement the market information goal, the association developed a postcard hay sales reporting system where growers report actual sales on a postcard which is mailed to the local Extension office. The Farm Advisor anonymously summarizes the hay sales to maintain confidentiality of individual data. A bi-weekly newsletter is compiled and mailed to members, the Federal-State Market News Service and other hay grower associations that wish to exchange information. In the first year of market reports, the association had over 40 members and reported 50% of the hay sales in the area. This year the association has over 70 members and reported nearly 90% of the hay sales in the area.

The market newsletter is the most important function of the association. The 3 officers and 8 directors meet monthly to discuss the hay market and plan other activities of the association. If there is something of interest that the members should be made aware, a note is included in the newsletter. For example, in one newsletter, a survey on trucking rates was included and in a subsequent newsletter we returned a summary along with PUC rates. Our newsletter also includes news of market activity that is received from other associations.

The association also has established a hay locator service at the fairgrounds in McArthur to help hay buyers get in touch with producers who have hay to sell. Buyers and brokers are encouraged to contact this service.

Each year the association has an annual field day on a member's ranch to get together and hold an educational program on alfalfa hay production. A perpetual award has been established for the top hay grader at the field day to encourage production of top quality hay.

An annual business meeting is held in the fall of each year to summarize the year's hay sales, discuss next year's activities with the entire membership, and elect officers and directors. Educational speakers are featured at the annual meeting and this year a trade fair with 36 companies exhibiting has been added.

The association also has been active in speaking out in areas of public concern for the members and for agriculture. It has been outspoken in protesting government takeover of our groundwater supplies and excessive increases in power rates. Views have been presented at meetings of citizen groups, Public Utility Commission hearings and state water hearings. The association has been active in promoting agriculture through farm magazine articles, newspaper articles, and radio interviews. Each year the association has a booth at the Inter-Mountain Fair advertising the advantages of top quality mountain hay.

This year the association has been cooperating with the University of California and the University of Nevada in a feeding program to evaluate mountain hay. It has collected a voluntary donation of .10/ton from its members to support this research.

All of the members of the association agree that because of the association, the local hay market has expanded in terms of the number of market outlets and stabilized in terms of the uniformity of prices received by producers. Further, the prices in North-eastern California are now better reflecting the real value of the hay.

One important goal that the association had when organizing was to develop an organization that would represent all of the hay growers and include all of the hay growers of the area. It has worked hard to select goals common to all hay growers of the area. It has not allowed hay brokers, feed store owners, or non-hay growers to join the association to insure that the association remains under the control of hay producers. However, anyone is welcome to attend the public activities of the association including the field day and annual meeting. The directors have clearly emphasized that the association is not

for the purpose of price setting. The association maintains that all members can sell hay for whatever price they wish and that the organization is for market news and education. It continually emphasizes this point to keep all of the growers in this area as members of the association and to avoid broker backlash. The association wants to encourage hay buyers to come into this area and does not want to drive away potential members. There has been a problem with the geographic size of the association, and the association does not want to include too large an area as the hay sales report cards are sent in anonymously and it wants to include only one marketing area. Thus, in the Susanville area of Lassen County, the Honey Lake Hay Growers Association has been formed with goals similar to ours. In the future, the association feels that the Alturas-Cedarville area of Modoc County may choose to form their own organization.

The Intermountain Hay Growers Association has generated a spirit of cooperation and information exchange among hay growers of our area. It has assisted many of the members in locating new markets and in producing a top quality product. It has assisted in promotion of our hay and representing the common interests of the members in a number of problems and issues. It has helped hay buyers meet hay sellers and helped businesses who provide products and services related to hay production meet our membership. The association looks forward to continued growth in membership and providing expanded services to its members in future years.