FALL 2022 FORAGE MARKET PRICING DISCOVERY SASKATCHEWAN

September 2022

Saskatchewan Forage Council

TABLE OF CONTENTS

This document details the current market prices and general trends for forage products in Saskatchewan and nearby jurisdictions as of September 30, 2022. Information was obtained through a variety of methods including telephone interviews, personal interviews, electronic correspondence, social media communication as well as advertisements found on-line.
The goal of this report is to provide an accurate assessment of forage prices across Saskatchewan at this current point in time. All data collected is as current and credible as possible, and was carefully analyzed to determine its relevancy.

1. Executive Summary

The September 2022 Saskatchewan Forage Market Price Discovery Report is a general industry overview of price and market trends through the compilation of data and information collected from a diverse group of forage industry stakeholders in Saskatchewan and in neighbouring jurisdictions.

Conditions across most regions of the province were much more favourable this year, as compared to 2021. There are notable exceptions, including the south-west and west-central regions, where severe drought conditions persist, made worse by extended periods of record heat and infestations of grasshoppers.

A long, cold spring prolonged the early turnout that was needed by many producers to stretch their feed supplies and inventories were depleted in many areas. Feed prices were high and product hard to find. However, good snow pack and some timely spring rains ensured the replenishment of dugouts, sloughs and other water sources across much of the province. Pastures saw fair to good early growth and hay crops got off to a good start in many areas.

While the outlook for grazing, feed stocks and water remain critical in some areas, the availability of quality feed across the province is much higher than a year ago, and prices of feed across all categories have adjusted accordingly, to more traditional levels.

At time of publication, harvest progress across the province was at 81 per cent; ahead of the five-year average of 75 per cent. After a good start to grain crops, hay crops and pasture land in many regions, the growing concern across most of the province is now the lack of summer rainfall. Hay and pasture land topsoil moisture, at time of publication, is rated as one per cent surplus, 27 per cent adequate, 39 per cent short and 33 per cent very short.

Some areas are reporting moderate to severe on-site water shortages. Those producers are reporting that the situation worsens each week they don't receive rain. Producers are hauling water, bringing livestock closer to home or are drilling new wells to replace depleted or unsafe water sources.

Cattle movement will be interesting to follow this fall, as prices are good and slightly higher-than-normal full and partial dispersal plans are being reported. Sale numbers are lower than a year ago, when many producers were forced to sell due to lack of feed, but the provincial cow herd has shown a slow but steady decline in numbers over the past few years. Current concerns about moisture levels and quality water are influencing producer decisions this fall in regard to culling and herd reductions and the potential impact on demand and pricing of forage will be worth watching.

2. Saskatchewan Forage Production Trends for 2022

After record-low forage yields across the province in 2021, concerns for feed inventories and grazing pasture condition ran high throughout the winter and into the spring of 2022. A slow, cool spring slowed pasture and hay development in many areas but early and timely rains ensured some progress, even in those areas experiencing several years of severe drought. Pastures and hay crops, overall, were much better than last year, easing concerns about adequate feed supply across most of the province with the exception of large areas of the south-west and west-central.

Producers continue to rely on the use of annual forage, supplemented heavily by planned greenfeed, as the mainstay of feeding programs. Mix-off of hay with straw, pellets and other alternative feed sources are an accepted part of most feeding programs.

The Saskatchewan Ministry of Agriculture estimated hay yields report (Table 1.) cites considerably higher provincial averages than the same report a year ago.

Table 1. Estimated Provincial Hay Yields (in tons/acre) as of August 8th, 2022.

2022 Provincial Forage Yields (tons/acre)		
	Dry Land	**Irrigated Land**
Alfalfa	1.52	2.50
Brome/Alfalfa	1.53	1.74
Other Tame Hay	1.20	1.10
Wild Hay	1.06	1.93
Greenfeed	2.23	2.80

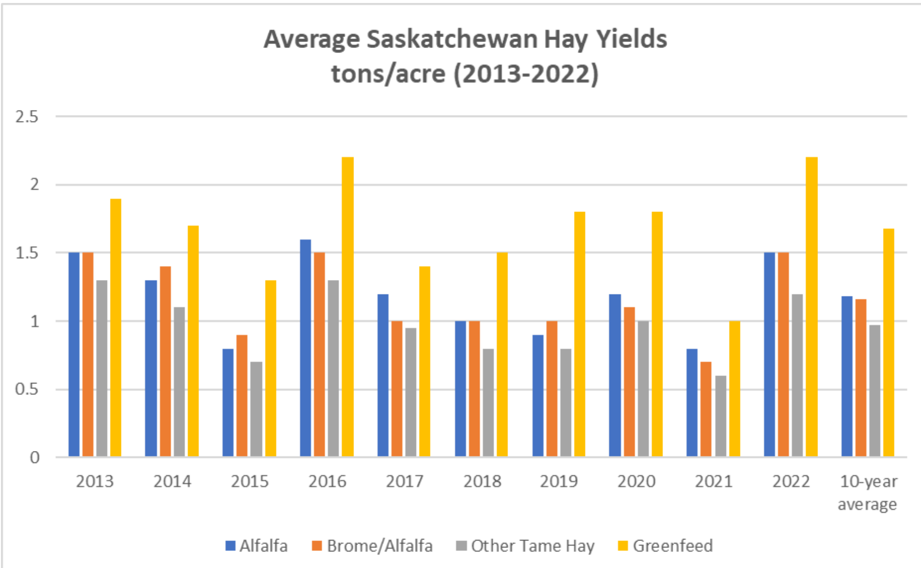
Data source: Saskatchewan Ministry of Agriculture 2022 Hay Yields Report.

Last Year's Provincial Yield Estimates as at August 12, 2021 date source: Saskatchewan Ministry of Agriculture		
Crop	**Dry Land**	**Irrigated Land**
Alfalfa	0.8	1.3
Brome/Alfalfa	0.7	1.8
Other Tame Hay	0.6	2.0
Wild Hay	0.6	1.8
Greenfeed	1.0	2.2

Regional reports tell the story of persistent drought across south-west and south-central regions, where a bit of early spring rain was followed by another record-dry late spring and summer. It was in these regions that the lowest yields in the province were recorded. The south-east and north-east regions once again had the highest yield estimates for both hay and greenfeed, with reports of higher feed value, in general, than a year ago.
Provincial averages across four categories (alfalfa, brome/alfalfa, other tame hay and greenfeed) were all above the 10-year average (Figure 1.) , in sharp contrast to 2021 numbers.

The forage harvest ranged from excellent in areas of good to adequate rainfall, to poor in the drought-stricken areas, where persistent heat, high winds, grasshoppers and gophers all contributed to overall stress. At time of reporting, very few feed tests had been conducted. But in general, many of the quality concerns of 2021 don't seem to be an issue this year, excepting in the driest areas.

Figure 1. Long-term Saskatchewan Average Hay Yields (in tons/acre) from 2013-2022 as reported annually in July



2013-2022 Long-term Average Dryland Forage Yields in Saskatchewan	
Crop	**(tons/acre)**
Alfalfa	1.18
Brome/Alfalfa	1.16
Other Tame Hay	0.98
Greenfeed	1.68

Data sources: Ministry of Agriculture Crop Report, 2022; Saskatchewan Forage Council 2021 Forage Market Price Survey. Beginning in 2019, forage yield data for this report was collected from first full week in August instead of July (2011-2018 data).

Production Trend Influences: weather-related

The 2022 growing season began with a long, cold spring and a slow start to pasture growth. In a year where producers really needed early turn-outs because of lack of feed, cool temperatures and early spring snowstorms delayed development and necessitated longer periods of feeding. Topsoil moisture for hay and pastureland was less than ideal, rated at 2 percent surplus, 52 per cent adequate, 29 per cent short and 17 per cent very short.

Spring runoff for the province in general was improved over 2021, allowing dugouts, sloughs and other water sources to fill in most areas. Runoff was rated as 5 per cent above normal, 44 per cent average and 51 per cent below normal. The replenishment of water sources was critical for livestock producers who struggled throughout 2021 with both quality and availability of water.

In the first week of May, the provincial crop report estimated forage feed supplies at 35 per cent adequate and 65 per cent inadequate. Feed grain supplies were rated at 55 per cent adequate and 45 per cent inadequate, and producers were anxious for the good hay crop needed to replenish feed supplies and relieve stress about adequate feed for the winter.

Spring/summer check-ins (excerpts from Saskatchewan Ministry of Agriculture Provincial Crop Reports):

May 30th: significant amounts of rain fell in the eastern part of the province over the past week. The west received some rain, but amounts were small. Hay and pasture land topsoil was rated as 7 per cent surplus, 60 per cent adequate, 19 per cent short and 14 per cent very short. Western regions were least favourable for moisture.

June 20th: Provincially, moisture levels on crop and hay and pasture land continue to improve as more areas of the province receive weekly precipitation. Cropland topsoil moisture is rated as nine per cent surplus, 75 per cent adequate, 15 per cent short and one per cent very short. Hay and pasture land topsoil moisture is rated as six per cent surplus, 68 per cent adequate, 21 per cent short and five per cent very short.

July 25th: Hot weather across the province last week caused a slight decline in topsoil moisture, with the highest concentration of dry soils being in the western half of the province. Hay and pasture land topsoil moisture is rated as two per cent surplus, 62 per cent adequate, 26 per cent short and 10 per cent very short. Adverse weather has made haying difficult for some producers and has resulted in lower quality hay than some were expecting. However, haying operations are now at 24 per cent standing, 24 per cent cut and 52 per cent baled or silage. Hay quality is rated as 19 per cent excellent, 62 per cent good, 18 per cent fair and one per cent poor. Hay yields for dry land hay range from 1.06 tons/ac to 1.84 tons/ac; for irrigated hay, the yields range from 2.16 tons/ac to 2.97 tons/ac. Some producers are able to replenish their feed stocks from last year while others are still worried about going into the winter short on feed.

***August 19th**:* Many producers have voiced concern over how badly they will need rain once harvest is completed to recharge the soil moisture of their respective regions. Cropland topsoil moisture is rated as one per cent surplus, 56 per cent adequate, 26 per cent short and 17 per cent very short. Hay and pastureland topsoil moisture is rated as three per cent surplus, 52 per cent adequate, 29 per cent short and 16 per cent very short.

At the end of August, hay and pastureland topsoil moisture was rated at 2 per cent surplus, 50 per cent adequate, 28 per cent short and 20 per cent very short. Most areas of the province were concerned about dry conditions and recognizing the need for significant fall rain.

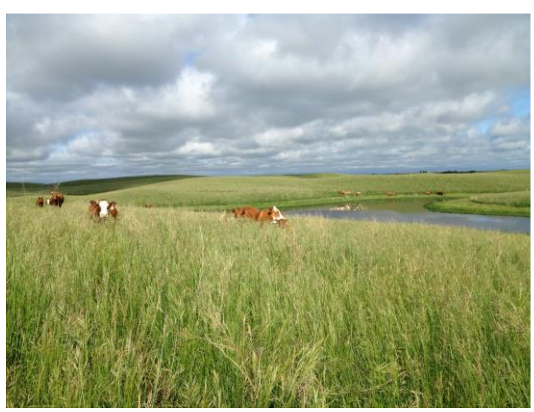
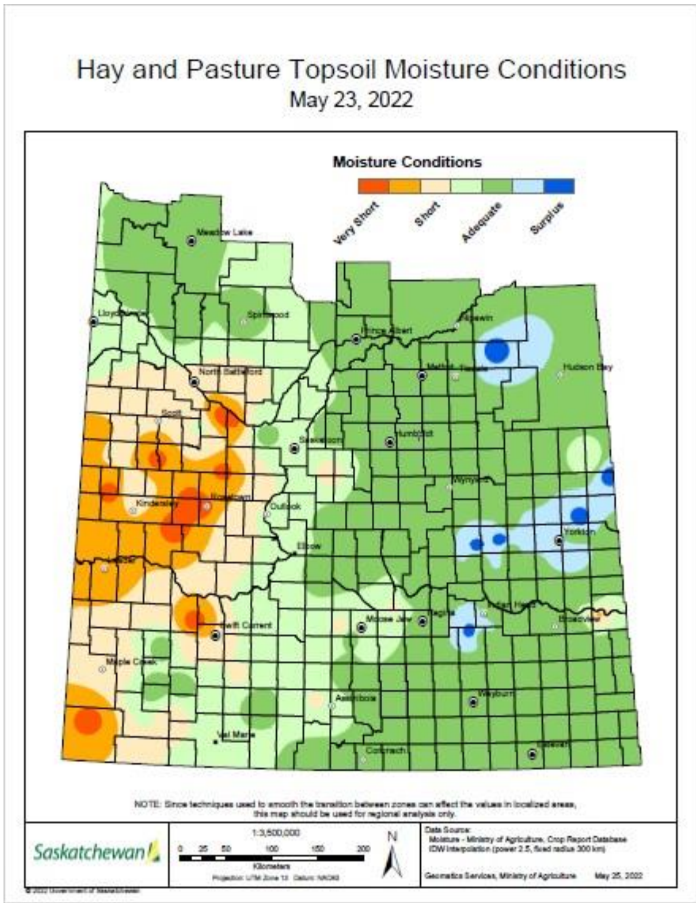
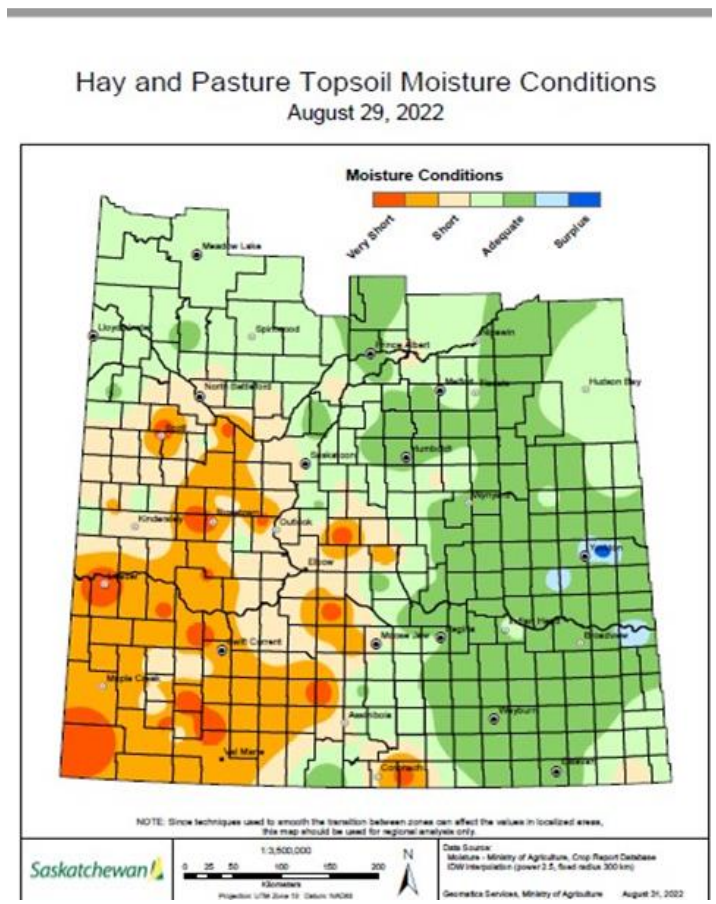


Figure 2. Hay and Pasture Topsoil Moisture Conditions in May and August of 2022



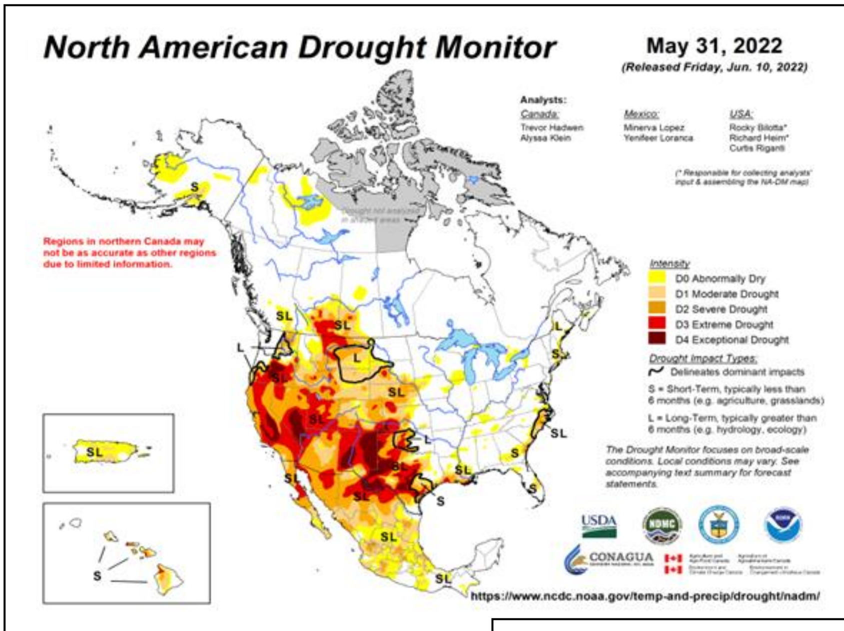


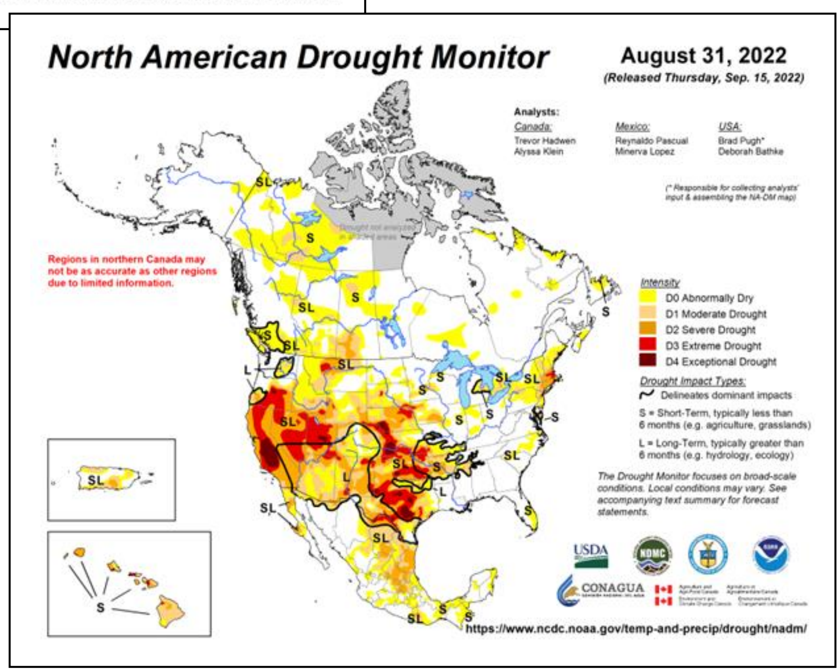
A clear illustration of the progression from early spring hay and pasture land moisture conditions through the end of August, as areas of adequate moisture succumbed to lack of late summer moisture, while areas of short to very short moisture conditions expanded.

Data source: Saskatchewan Ministry of Agriculture
May 23, 2022
August 29, 2022

Abnormally dry and moderate drought conditions persist across North America, as illustrated in Figure 3. Conditions at August 31st show worsened drought conditions across the southern prairies. A concern moving into the winter is the extreme drought in the western US, and the forecast for it to persist.

Figure 3. North American Drought Conditions at May 31, 2022 and August 31, 2022.





Data source: National Drought Mitigation Center May 31, 2022 and August 31, 2022

In south-west and south-central areas of Saskatchewan, where drought and lack of precipitation prevail, producers reported having utilized any sources available for winter feed stocks. Many have sourced hay and greenfeed from other areas of the province, and others are waiting to see how prices move after harvest. Concern is high about the ability to source feed for livestock for the winter, as well as availability of good water sources and pastures for 2023.

Across the province, the desire for reasonably-priced perennial forage still exists. However, after utilizing annual forages more and more over the last number of years, forage users are not relying heavily on higher-priced perennials. Even in areas of higher moisture levels, producers seem cautious about plans to seed perennial forages this fall, citing apprehension about the lack of late summer rain. Producers continue to look into options to rejuvenate older stands. As in the fall of 2021, producer interest in spring seeding of perennial forage will be dependent on moisture conditions throughout the winter.

Production Trend Influences: non-weather related

As of September 19th, harvest progress for the province was reported at 73 per cent complete, up from 64 per cent the preceding week and ahead of the five-year (2017-2021) average of 68 per cent. Few grain crops had been salvaged for forage, excepting in cases of hail-damaged acres. With grain prices remaining at higher-than-normal levels, even low-yielding crops are considered too valuable to be sold for feed. With much higher-quality grain crops across most of the province, as compared to 2021, straw harvests have been good and a lot more of it is available.

Planned annual greenfeed continues to be one of the most important and well-utilized forages in Saskatchewan. Yields of greenfeed were much higher than last year, and will help to support many feeding programs in areas of lesser hay yields. There weren’t nearly as many unplanned greenfeed acres this year, with stronger grain yields and less need for salvage to supplement feed inventories. Silage continues to be popular for its resistance to weather risk and usefulness in mixtures with many types of feed stuffs. At time of survey, many silage crops were still being harvested, so yield information wasn’t plentiful.

As reported in 2021, age of current perennial forage stands continues to factor into overall lower production. Older stand production levels are impacting overall forage production and more producers are expressing interest in rejuvenating existing stands, instead of reseeding. However, provincially quantifiable data is not available.

Cattle Movement

2022 Update: Saskatchewan (CANFAX)

Canada's cattle herd saw a 2.8% decrease as of July 1st, 2022, to 12.29 million head (Table 32-10-0130-01 Statistics Canada, 2022). The Saskatchewan total cattle herd declined 4.2% to 2.54 million head after two years of annual increases. The beef cow inventory declined 5.6% to 1.05 million head. This is down 61,700 head from 2021. Heifer inventories declined 7.9% or 24,700 head to 286,900 head. Heifers on beef operations fell by 24,900 head and heifers for beef replacement fell by 10,200 head. Note, historical data from Statistics Canada was revised in July 2022.

Saskatchewan 550 lb steers averaged $232/cwt in the first half of 2022, up 1% from 2021 and up 3% from the five-year average. Using Alberta statistics, cow-calf profitability for 2022 is projected to be higher than 2021 supported by stronger prices in the second half of the year. The beef cow culling rate is projected to be 14% for 2022, up from 13% in 2021 and up from the 10-year average of 12.4%. Canadian cow marketings for the first six months of 2022 were up 2% from the same period of 2021. Western Canadian cow marketings for the first six months were up 10% from the same period last year. Strong cull cow prices are pulling more cows into slaughter plants. (CANFAX, 2022)

Auction markets across the province reported strong summer sales, but with sale numbers at a more typical level than a year ago. Herd dispersals and partial dispersals are more likely to be due to retirements or basic economic decisions than lack of feed.

Weekly Cattle Market Update for the week ending September 23rd, 2022.

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)								
Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
September 23/2022	Average	$ 316.00	$ 291.63	$ 269.75	$ 258.83	$ 252.88	$ 239.67	$ 228.38
September 23/2022	Range	300-332	279-308	263-285	250-270	248-261	232-251	224-237
week/week	Change	$5.50	$0.06	-$1.50	$1.83	-$0.51	-$0.04	-$0.68
September 16/2022	Average	$ 310.50	$ 291.57	$ 271.25	$ 257.00	$ 253.39	$ 239.71	$ 229.06
Feeder Heifers		300-400	400-500	500-600	600-700	700-800	800+ lb.	
September 23/2022	Average	$249.38	$239.83	$230.50	$ 230.00	$ 228.60	$ 219.50	
September 23/2022	Range	237-261	234-248	224-237	222-234	210-240	215-227	
week/week	Change	-$1.62	$2.08	-$0.04	$2.07	$0.60	-$2.00	
September 16/2022	Average	$251.00	$237.75	$230.54	$ 227.93	$ 228.00	$ 221.50	

Source: Canadian data is provided by CanFax and cannot be redistributed without Canfax consent (www.canfax.ca).

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Wednesday of the current week. N.A. means not available due to lack of sufficient data.

Canfax reported a total of 6,853 head of cattle sold in Saskatchewan the week of September 16th, down from 11,600 head the previous week. There were 8,300 head marketed during the same week last year. Year-to-date marketings are 17 per cent below this time period in 2021.

Weeds, Field Pests and Disease Impacts

Flea beetle andgrasshopper impacts were noted provincially and were particularly devastating in the south-west and west-central, where volumes of insects were even impacting quality of grain in the hopper at harvest. Both grasshoppers and infestations of gophers in the south and south-west were reported as the worst since the late 1980's and the impact was severe. Weather stress from strong winds and prolonged high temperatures in late June through most of July aided the spread and impact of crop damage from grasshoppers. Reports of grasshopper counts were not available at time of this survey, but infestations are anticipated through a large part of the province in 2023.

Saskatchewan Hay and Forage Freight Rates

Hay transporters reported a sharp increase in operating costs over the past year, impacting freight rates significantly. The most significant factor is the sharp rise in fuel prices, with conservative estimates of 30 per cent increase in total cost reported. Maintenance costs, in everything from tires to minor repair parts, have also increased greatly year-over-year and supplies are at times hard to get. More transporters appear to be adding a fuel surcharge, than noted in previous surveys. In general, transporters reported steady bookings, but increased feed availability in many parts of the province are resulting in more moderate hauling distances, as opposed to 2021, when they were booking higher numbers of long hauls (550 to 950 km one-way) than typical. Many truckers expected to be busier following harvest.

Rates and haul options can vary, with most truckers charging a flat hourly rate or flat rate per bale for short hauls, and a different rate for longer-distance hauls. Many are now charging a fuel surcharge, or applying a minimum charge of 400.00 to 550.00, depending on the equipment used. Classification of short-haul versus long-long varies considerably, with some truckers using 300 km or less as a short-haul basis while others consider 200 km or less as short-haul.

Truckers continue to adapt to provide value and manageable rates to customers, even as they cope with fluctuating fuel prices and rising maintenance costs.

Table 2. Hay Transportation Costs in Saskatchewan

Condition of Measurement	Rate average
Hourly rate (shorter distances)	$187.25/ hr
Short haul, 34-37 bales/load	$5.12/ loaded km ~
Long haul, 34-37 bales/load	$6.60/ loaded km* ~
Long haul, 38-44 bales/load	$6.15/loaded km

* a mobilization fee or empty travel fee may be added to these rates.

~ a fuel surcharge may be added to these rates.

3. Current Saskatchewan Forage Prices by Crop and Sector

While some areas of the province continued to struggle with drought, grasshopper infestations and in some areas, significant gopher damage, many other areas had much better rainfall and growing conditions than in 2021. Those areas are reporting increased yields and improved quality on both forage and grain crops.

Electronic listing services such as Kijiji and Facebook feed sales groups continue to be the most popular sales tool on Saskatchewan farms. Print and radio ads are still used, but are much less popular than electronic trading posts and social media. This summer saw a significant increase in feed listings, even as producers exercise caution with their own feedstocks and work to rebuild stockpiled inventories depleted over the past few years.

With increased rainfall across large areas of the province, pasture conditions were greatly improved in many regions. However, there continues to be concern in the south-west and west-central regions. A late, cold spring across much of the province made for a slow start to recovery from previous years' drought conditions but in many regions timely spring rainfalls helped to turn things around. In those areas, cattle are still on pasture. Early feeding is a necessity in those south-west and west/west-central regions, however, where pastures have been in desperate condition for some time now, in the wake of severe drought conditions.

At time of publication, there haven't been a lot of reported feed testing results. Forage quality is expected to be fair to good for quality in many regions. With a projected sufficient supply of traditional forages available, prices (majority asking prices) are expected to settle slightly below asking, on average. Price information was collected late July through September and is reported inTable 3 (below). Despite rising production costs driven primarily by high fuel costs, year-over-year pricing across all categories is lower than 2021, and returning to average levels.

Table 3. Average 2022 Forage Prices in Saskatchewan

Forage Type	Simple Average Price ($/tonne)	Weighted Average Price ($/tonne)	High ($/tonne)	Low ($/tonne)
Grass Hay	$175.53	$200.14	$286.60	$101.75
First Cut Alfalfa	$189.87	$204.42	$264.55	$138.81
Second Cut Alfalfa	$241.27	$178.46	$286.60	$169.59
Alfalfa/Grass mix	$176.17	$175.14	$330.69	$110.23
Greenfeed	$174.11	$171.61	$240.50	$125.98
Clover	$151.23	$152.07	$191.70	$115.02
Cereal Straw	$94.50	$84.12	$183.72	$66.14
Pulse Straw	$71.28	$81.57	$81.57	$55.12

**In 2022 this is number of listings or trades, as majority were not monitored long-term for achievement of sale.*
^^ Planned greenfeed is considered an annual crop that was seeded specifically to be turned into forage and not harvested as grain. Unplanned greenfeed is a crop seeded with the intent of grain harvest but turned into forage due to hail, drought, wildlife damage or high demand by oneself/to sell.

First and second cut alfalfa: had a simple average of $189.87/tonne (first cut) and $241.87/tonne (second cut) as compared to $244.97 (first cut) and $277.48 (second cut) at this time last year. This is indicative of increased production in many areas, with dryland second cuts much closer to normal levels.

Alfalfa/grass hay: has a current weighted average asking price of $175.14/tonne, a marked decrease from the $251.14/tonne reported in 2021. After further analysis the simple average was brought to $176.17/ tonne (approx $0.08/lb) down from last year's calculation of $0.10/lb. Good quality hay is still in demand, but is much more available and current prices reflect that.

Greenfeed: is currently calculated to have a weighted average of $171.61/tonne, down from $237.88/tonne in 2021. An estimated 75 per cent of producers now use planned greenfeed for an estimated 50 per cent of their forage needs. Yields were much better across most of the province than in 2021, bringing greenfeed availability and pricing back to more typical levels. Last year's race for unplanned greenfeed (salvage of poor cereal crops, primarily) was not needed this year, across most of the province. The exception was the south-west and west-central, where producers salvaged everything they could, ahead of the grasshoppers. The cost to produce annual forages remained high, with greatly-increased fuel prices and high grain prices.

Cereal straw: is expected to be more plentiful and available this year, with better crops in many areas, but at time off survey prices had not changed much from last year, at $94.50/tonne (simple average) and $84.12/tonne (weighted average). Producers reported a wait and see attitude, as harvest progressed across the province.

Pulse straw: saw a simple average of $71.28/tonne; much lower than 2021 ($139.32). Neighbour-to-neighbour sales continue to be common with this commodity. On average, estimated crop yields across the province in mid-September were much higher than a year ago, with field peas averaging 34 bu/ac (versus 21 bu/ac average in 2021). The south-west and west-central regions saw the lowest yields for most crops, while the south-east and north-east regions were generally expected to yield the highest, once again.

For comparison purposes: prices at this time, one year ago. Data source: Fall Forage Market Discovery Survey 2021

Forage Type	Simple Average Price ($/tonne)	Weighted Average Price ($/tonne)	High ($/tonne)	Low ($/tonne)
Grass Hay	$230.38	**	$387.57	$88.00
1st Cut Alfalfa	$244.97	**	$374.78	$69.004
2nd Cut Alfalfa	$277.48	**	$356.13	$102.29
Alfalfa/Grass mix	$241.69	$251.15	$400.83	$127.97
Greenfeed	$213.38	$237.88	$385.80	$110.23
Clover	$	$	$	$
Cereal Straw	$91.88	**	$176.37	$27.55
Pulse Straw	$139.32	**	$264.00	$88.00

A comparison of forage prices from 2016 - 2022 can be viewed below in Table 4. with a graphical analysis for 2016 - 2022 provided in Figure 5.

Table 4. Average Fall Forage Prices in Saskatchewan from 2016-2022 (weighted)

	2022	2021	2020	2019	2018	2017	2016
Forage Type	**Average *asking Price ($/tonne)**	**Average *asking Price ($/tonne)**	**Average *asking Price ($/Tonne)**	**Average Price ($/Tonne)**	**Average Price ($/Tonne)**	**Average Price ($/Tonne)**	**Average Price ($/Tonne)**
Grass Hay	$200.14	$230.38~	$122.48	$100.21	$126.63	$110.013	$100.66
First Cut Alfalfa	$204.42	$244.97~	$141.45	$175.98	$138.82	$153.89	$97.78
Second Cut Alfalfa	$178.46	$277.48~	$178.10	$181.66	$183.72*	$141.92	$127.36
Alfalfa/Grass Mix	$175.14	$251.15	$135.35	$130.74	$138.80	$127.93	$97.98
Greenfeed	$171.61	$237.88	$92.74	$125.40	$137.01	$120.37	$94.60
Straw*	$82.84	$115.60~	$48.28	65.36	$55.63	$54.80	$63.11
Yellow Sweet Clover	$152.07	-	80.17	-	-	$87.87	-

Data Sources: Saskatchewan Forage Council, 2016, 2017, 2018, 2019, 2020, 2021 and 2022. Prices to September 22, 2022
**Straw is an average of cereal straw and pulse straw.*
~ Simple Average

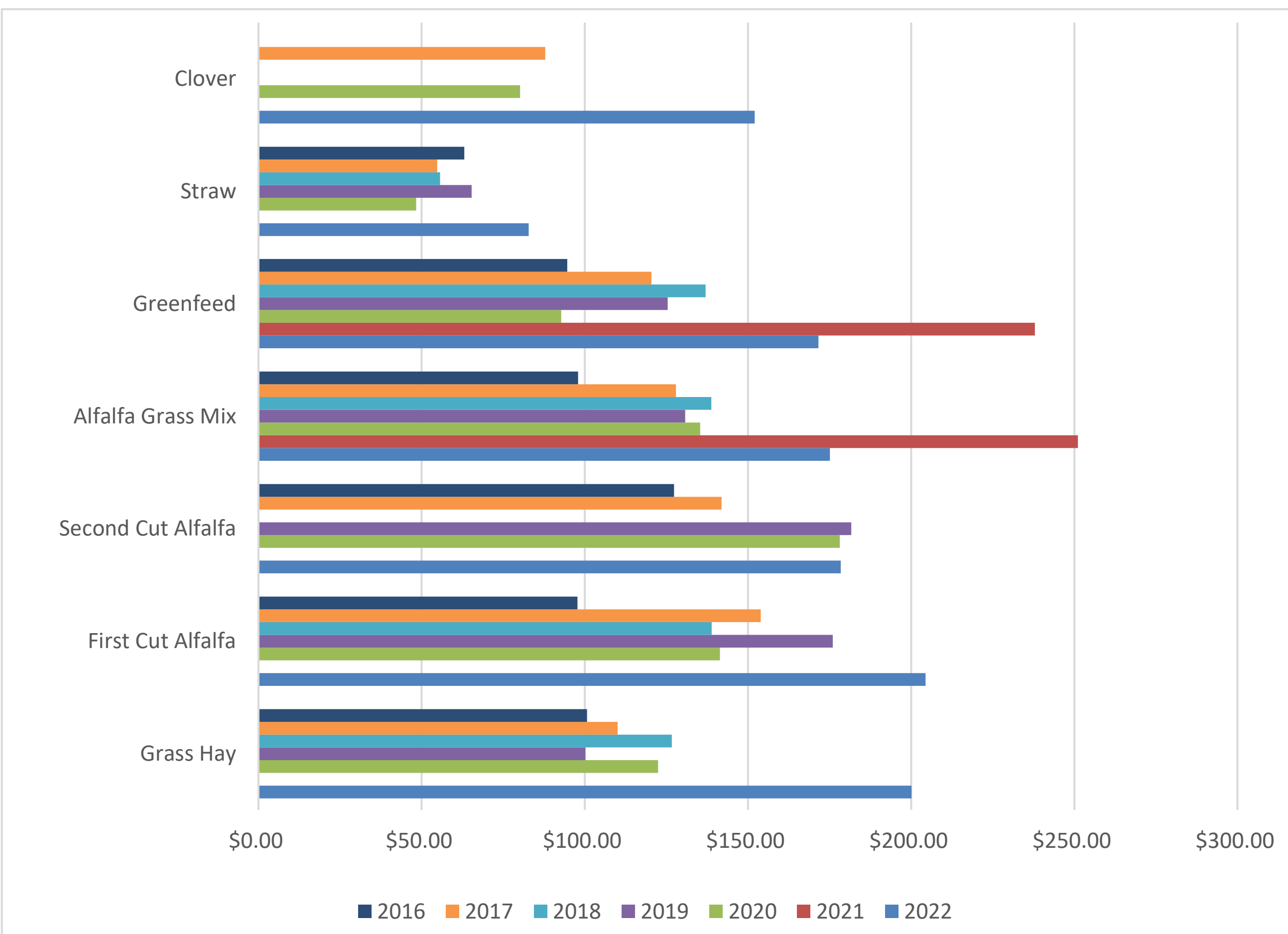


Figure 4. Average Saskatchewan Forage Prices (in $/tonne) from 2016-2022

Standing Hay

Standing hay agreements are often on a mutual, long-term basis, between neighbours. Organizations with a habitat conservation focus such as Environment Canada, Ducks Unlimited Canada, Saskatchewan Wildlife Federation, and Nature Conservancy of Canada often control large tracts of land that are tendered for hay yearly, bi-yearly or on an as-needed basis. Important to note that there were very few listings to survey for standing hay; most deals are struck privately and are often long-standing agreements.

There are three common agreements for standing hay:
1. Buyer takes responsibility for cutting, baling and hauling the hay and then takes a previously agreed-upon share of the inventory. One-third share seems to be the most common.
2. Price per acre: buyer is responsible to match their per-acre offer in accordance to estimated production.
3. Sold on a per-weight basis (15 per cent of dry matter, for example) after hay is cut, baled and weighed.

Small Square Bales

Small square bales are most often sold on a per bale basis. Small square hay bales typically weigh 50-70 lbs and straw bales weigh approximately 40 lbs. These bales may be purchased by small-scale farmers, acreage owners feeding small numbers of livestock; highest quality hay is sought by dairies.

Table 5. 2022 Small Square Bale Asking Prices Across Saskatchewan

Forage Type	2018 Average Price ($/bale)	2019 Average Price ($/bale)	2020 Average Price ($/bale)	2021 Average Price ($/bale)	2022 Average Price ($/bale)
Alfalfa	$7.39	NA	$8.03	$11.35	$8.43
Alfalfa/Grass	$6.52	$7.07	$5.93	$8.72	$7.33
Grass	$5.19	$8.40	$5.06	$7.63	$7.67
Unspecified Hay	NA	NA	NA	$6.00	NA
Straw	$3.12	$3.20	$3.10	$3.82	$4.99
Organic Hay	* straw $2.50	NA	$4.50	$6.50	$16.00 (2 listings)
Greenfeed	$4.67	$7.50	$4.25	$10.50	$7.75

As with all hay prices, small square bale prices were down from 2021, reflective of increased supply and availability There are listings from across the province. With the highest and lowest price removed, the average list price was $7.33/bale for grass/alfalfa for September; down from $8.72 in 2021.

Silage

A lot of the silage crops in the province were still coming off at time of survey. Estimates for both cereal and corn silage was well above last year's numbers, in most areas, with few final numbers yet reported.

Silage values are reported as priced in the pit, on a wet metric tonne basis (60-65% moisture). The cost of growing a crop for silage, including inputs such as seed, fertilizer, and crop protection products, as well as the cost to harvest, haul, pack and cover silage, all need to be factored in when developing a current valuation of silage in the pit or pile.

Two other methods of silage valuation used by producers:
1) Multiply bushel price of feed barley by 12
2) Work silage value back from greenfeed price:
   - hay to silage conversion = (100-15% moisture in hay)/(100-65% moisture in silage)=2.48
   - current greenfeed price/tonne/2.228 conversion to silage factor
   - however, it's yet to be determined if this method should take additional cost of chopping and hauling in consideration and add to this value

4. Regional Forage Pricing Trends and Growing Conditions

Information gathered from Ministry of Agriculture regional office personnel and producer interviews.

South West/West Central

Reporting from this area of the province sounds very similar to last year's narrative, as desperately dry conditions persist through most of the region, in a broad area moving from the south-west up areas west of Saskatoon including Rosetown and Kindersley. Some areas in the south-west are into the fifth year of drought conditions. A number of producers in this region had already pulled cattle off pasture by early September due to lack of vegetation and good water. Many others were still grazing at that time, and cattle were still grazing in most of the community pastures. Some cereals had been pulled out of grain production to be used for feed. General condition of grain crops in the region was poor to very poor, thanks to drought, grasshoppers and in some areas, gopher infestations. Most of the grain harvest across much of this region was 100 per cent complete by the first week of September.

Water quality issues persist this year, with prolonged high temperatures adding to the stress of the persistent drought. Some pastures that might have still provided sufficient vegetation had to be abandoned for lack of water.

These regions had a very poor hay crop, overall, due to lack of rain and, in the south-west, infestation of grasshoppers. Some producers sourced feed early, from other areas of the province where crops were much better. More hay and other feed sources are likely to be purchased in this area later in the fall as producers assess the options to ensure supply through the winter. Prices are trending slightly lower than a year ago, but the difference is not significant, as cost of production soared. Greenfeed will continue to be the chief alternative to hay, and most producers in this region will mix it off with straw, hay and/or pellets. It's hard to assess quality at this time, with very few feed tests having been conducted at mid-September. Corn silage yields were very variable; much of it cut and chopped very early to save quality. In some other areas, corn did well and was expected to yield 1.3 to 1.5 times barley. Pricing on corn silage remains quite high, at estimated 48.00 to 55.00 per ton.

Producers are culling hard once again to reduce herd numbers and ensure sufficient feed for the rest. Estimates out of the west-central region were reported at above normal cull rates of 15 to 18%, as opposed to traditional 10 to 12% levels.

This region reports dry to very dry, and worried. In some areas in the far South, there have been reports of producers having sprayed three and four times to control grasshoppers, with yields of greenfeed and hay still significantly impacted by the pests. Producers across the region cut very early this year to salvage whatever yield they could.

South-East

Conditions in this region saw excessive rainfall during seeding season but had great opportunity for rejuvenation of pastures and hay land. Some small areas had a dry start to spring, but timely rains resulted in very good hay crops; much better than the past few years.

Hay yields are reported as excellent across most of the region, with even old stands producing 2.5 to 3 bales per acre. There were few reports of sales at time of survey, as many producers take the opportunity to replenish their own inventories. Hay that is being sold has been trading for .07 to .09 per pound, with small squares bales ranging from $5.00 to $8.00. Silage crops are still being harvested, but early yield reports are very good.

Hay and pasture land topsoil moisture is rated as two per cent surplus, 54 per cent adequate, 37 per cent short and seven per cent very short in this region. There aren’t any noted water shortages in the region and producers are not worried about removing cattle from pastures yet. Some are moving cattle to harvested fields to stubble graze before moving them home for the winter. Feed inventories should not be a concern for producers going into the cold months.

North-East and East-Central

Conditions in these regions were much more favourable this year, with large areas of adequate rainfall that allowed for good hay crops and the replenishment and rejuvenation of many water sources that suffered in 2021. Moisture levels are much better along the East side of these regions, while the West side was considered dry, but adequate, at time of reporting. Grasshoppers were a concern in southern areas of this region.

At time of reporting, most cattle were still on pasture with no concerns about the need for early feeding. Some areas of higher salinity soil were still challenged by poor water quality, with some pastures unable to be utilized due to inadequate water supply. With hay in fair to good supply across much of these regions, producers are rebuilding their own stocks and selling the excess.

Greenfeed continues to be an accepted part of the feed strategy of many producers, and reports about the availability and quality were positive, although not a lot of feed testing had been done as yet. Corn silage was expected to yield well, with conservative projections of 13 tonne per acre reported. Farther north, silage is primarily cereal and more corn is grazed. Grain crops were generally very good across much of these regions, so there were few reports of crops being utilized for feed, with the exception of a few isolated areas that had hail damage. In the north-east, polycrop mixes seem to be trending, including mixes of peas, barley, oats, forage collards, beets, turnips, sudan grass and sunflowers.

In general, hay and greenfeed appear to be plentiful and of good quality. Hay prices, as of early September, were reported at .08 to .10 a pound but were already dropping as inventories were secured and demand appeared to be lessening slightly.

North-West and North-Central

As compared to 2021, moisture in large areas of the North-West is much better, but still not ideal. In more south-westerly parts of the region, conditions have remained very dry. Spring conditions were favourable for pasture regrowth and for the most part, pastures have held up well in the North-West. Most producers are confident of having enough feed of their own production this year. Moving south-west into the drier areas of the region, producers have sourced feed for sale. As in many other parts of the province, late summer saw very little precipitation and grass browned off quickly. The situation ranges from dry and worried (west and west-central) to adequate (North-West). However, feed supplies across the regions are generally much better than a year ago, and likely to be adequate for the winter, if conditions aren’t too severe.

In most parts of these regions, cattle were still on pasture at time of reporting, with the exception of some very dry areas in the west and on the south-west edges. North-west reports no serious water issues in terms of either quantity or quality. There appear to be very few salvage crops opportunities this year, and partnerships with grain farmers tend to be for straw, which is increasingly used effectively in mixes with greenfeed, pellets and hay. Corn acres were reported as being on par with previous years’ averages. Inquiries about perennial forage have been few, probably due to apprehension about moisture.

In terms of pricing and trade, hay prices have fallen back from last year’s highs and seem to have settled out at more normal averages. Reports of $100/bale (estimated on 1,300 lb round hay bales) were common in these regions during the survey. In keeping with trends across the province, producers in these regions have worked hard to secure adequate feed for the winter and to replenish depleted stockpiles.

5. Forage Price Trends in Neighbouring Jurisdictions

The following table demonstrates price averages for various forage types across Western Canada and Montana and North Dakota. The table is based on data collected from a variety of online sources, including the respective government forage listing services, kijiji.ca, Facebook online sales groups, Craigslist, bizmanonline.com and others.

Table 6. 2022 Forage Prices in Adjacent Provinces and States reported in CDN$/tonne

	Alberta		Manitoba		Montana		North Dakota	
Forage Type	Price Range	Avg Price ($/tonne)	Price Range	Avg Price ($/tonne)	Price Range	Avg Price ($/tonne)	Price Range	Avg Price ($/tonne)
Alfalfa 1st cut	$176.37-264.55	$221.87	$74.04-154.32	$117.32	$189.16-420.34	$324.59	$171.18-325.93	$230.37
Alfalfa 2nd cut	$165.35-297.62	$239.14	$94.48-198.14	$168.07	$363.77-465.62	$408.40	$167.34-199.11	$183.22
Alfalfa/Grass	$76.16-275.58	$196.65	$103.34-283.45	$158.65	$218.26-435.69	$299.60	$100.35-239.04	$168.06
Grass	$149.97-254.38	$185.15	$68.89-220.46	$134.12	$97.01-509.27	$342.27	$89.54-196.43	$144.08
Straw	$62.99-121.25	$79.05	$55.12-99.21	$76.72	$87.31-171.96	$137.79	$87.31-145.50	$118.22
Greenfeed	$125.98-264.55	$172.71	$94.48-161.67	$122.13	$218.62-363.77	$266.50	$169.75-207.86	$118.81
Pulse straw	-	$110.23	-	$88.18	-	$183.79	-	-

**American prices have been converted to CDN currency values average for Sept 15, 2022 ($1USD =$1.3200 CDN), per Bank of Canada rates*

Manitoba cattle producers were still putting up feed on September 20th (Manitoba Crop Report) and yields remained above average. Polycrop, barley and oat silage cutting was underway, and corn silage-making had started in limited areas. Baling of straw and greenfeed has been a challenge due to wet weather and poor drying conditions. Grass pasture growth benefitted from cooler conditions and late summer rains, sustaining fall grazing. Water supplies remain sufficient in all parts of the province. Hay volumes have been good but quality remains a challenge due to rain and humidity.

In **Alberta**, as of the September 20th Crop Report, hay production across the province was behind the l long-term average. Yields across the province average 1.6t/acre on dryland first cut, 0.9 on dryland second cut, 2.1 t/acre on irrigated first cut and 1.5 t/acre on irrigated second cut. Pastures are more marginal than normal with 73 per cent of all pasture land rated as poor or fair (55 per cent on 10-year average).

References

Alberta Agriculture Crop Reports, 2022. April – September 2022 Crop Reports accessed at https://open.alberta.ca/publications/2830245

Bank of Canada, 2022. Daily exchange rates for the week ending September 19, 2022. Accessed at: http://www.bankofcanada.ca/rates/exchange/daily-exchange-rates/

Government of Saskatchewan, 2022. 2021-22 Farm Machinery Custom and Rental Rate Guide. Accessed at: http://publications.gov.sk.ca/documents/20/85808-Farm%20Machinery%20Custom%20Rate%20and%20Rental%20Guide.pdf

Manitoba Agriculture Crop Reports, 2022. April - September 2022 Crop Reports. Accessed at: http://mfga.net/resources/

National Centers for Environmental Information, 2022. North American Drought Monitor 2022 Maps. Accessed at: https://www.ncdc.noaa.gov/temp-and-precip/drought/nadm/maps/en/202108

Saskatchewan Forage Council, 2021. Forage Market Price Discovery in Saskatchewan as of September, 2021. Available online at: http://www.saskforage.ca/publications/

Saskatchewan Ministry of Agriculture, 2022. Weekly Crop Reports.
Available online at: https://www.saskatchewan.ca/crop-report.

Statistics Canada, 2022[1]. Livestock estimates, July 1, 2022. Accessed at: https://www150.statcan.gc.ca/n1/daily-quotidien/190822/dq190822d-eng.htm

United States Department of Agriculture, 2022. Accessed at: https://downloads.usda.library.cornell.edu/usda-esmis/files/tm70mv177/cn69mz950/jd473r96n/crop0521.pdf

United States Department of Agriculture, 2022. May national inventories- Hay. Accessed at: https://www.nass.usda.gov/Statistics_by_State/Montana/Publications/News_Releases/2021/MT-Crop-Production-05122021.pdf

North Dakota State University, 2022. Accessed https://www.ag.ndsu.edu/news/newsreleases/2021/july-26-2021/harvesting-nontraditional-crops-for-hay-an-option

Montana Direct Hay Report. 2022. Accessed at https://www.ams.usda.gov/mnreports