

Hay Buying Strategies

This is not the year to be buying emergency forage if you are looking for a bargain, but if you have no other choice, here are a few tips from the experts.

Story & photos by
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Shannon Neibergs, Washington State University (WSU) Extension specialist, says there is good news and bad news regarding the availability of feeder hay in the West.

"Hay stocks at the end of 2007 were tight, but not extraordinarily tight," he says. "We know there is hay out there, but where it is and what kind of shape it is in remains the big question."

There should also be some below-grade dairy hay available to beef producers due to an inordinate amount of spring rain that coincided with the first cuttings in the Northwest and in California, he adds. "Probably your best resource for that product will be the brokers. You will probably end up paying top dollar for it, but you will know what you are getting."

Neibergs advises caution for those who are seeking lower-quality, lower-priced hay to carry their cows through the winter. He points out that, when looking at last year's hay, how it was baled and stored will be the deciding factor on value.

He adds that if hay was cut and baled correctly and stored under a roof or tarp, the quality could be preserved, even after a couple of years, but if it was left exposed to the elements through fall, winter and spring, it might not even make low-quality feeder hay at 12 months.

"This is reason enough to inspect



When buying last year's hay, make sure it has been stored properly.

the hay you are planning to buy," Neibergs says, adding "it is especially true at today's prices."

Caution advised

Tip Hudson, WSU Kittitas County Extension educator agrees with his colleague, noting today's record-high forage prices will encourage opportunists to try and sell substandard hay that otherwise wouldn't even be brought to the market.

"The biggest hay-buying issue I see this year is people purchasing what they think is a good deal and finding out too late that they can't even feed it," he says. "Unless stored properly, the feed value in a bale can drop dramatically over a relatively short period of time."

He says he has noticed in Washington State this year that hay bales in stacks that have been sitting for a year or longer are starting to disappear, indicating that even older hay is finding buyers.

Both Neibergs and Hudson warn that while there probably are some good deals to be had by buying older hay, determining how extensively it has deteriorated is a must before money changes hands. When possible, they recommend an on-site inspection of the hay before any deal is confirmed. This will not only allow the prospective buyer to visually inspect the product and pull samples for testing out of the bales that are actually being purchased, but it will also give that person a good idea of how the hay was stored.

Act now

Dan Undersander, longtime University of Wisconsin Extension forage specialist says that if there is a single word that sums up the hay-purchasing environment in 2008, it is *change*. "If you compare it to 2005, it is an entirely different world out there," he says. "Nothing is the same."

Higher costs for fuel and fertilizer,

as well as the direct influence from soaring grain prices, reduced forage acreage and effects of regional floods and droughts have pushed the price of today's mediocre feeder hay to levels well above what the highest-quality dairy hay was selling for three years ago.

"And we are going to see it go even higher," Undersander says. "With the factors already in play, hay is not going to fall this year."

His recommendation is to do a comprehensive inventory of one's hay needs immediately and act accordingly. "If we have a tough winter, that hay is really going to get scarce," he says. "It just makes sense to be prepared."

Undersander says an inventory should include an honest assessment of feeding losses. "Reducing how much hay you waste when you feed your cattle is a whole lot cheaper than going out and buying extra hay," he says, adding that the difference in

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waste between feeding systems can be as high as 45% of the daily forage allotment.

Think like a dairyman

In today's market, because a beef producer is paying dairy hay prices, he must think like a dairyman when he makes his hay purchases, Undersander says. "You

have to really evaluate what you will get out of that hay nutritionally. At \$75 a ton, a guy could afford to take some risks; but at \$200 a ton, he'd better know what he is buying."

In addition, the hay buyer is also faced with escalating hauling costs, Undersander says. He estimates that

during the last four years, transportation costs have risen from \$1.40 to \$2.25 per mile. For Undersander, this means adhering to a set of actions that will minimize the risks associated with buying hay in today's volatile market.

As Neibergs and Hudson have emphasized, testing and onsite inspection prior to delivery are always recommended when possible. If test results are provided

by the seller, he or she should be willing to confirm in writing that these results represent all the hay being shipped when it is shipped and be willing to assume full responsibility if it is not.

Once the test results are known, then the buyer can assess the nutritional value of the hay and determine whether it is worth purchasing at the asking price. Undersander adds that these results will also reveal to the buyer if the hay requires supplementation — one more cost that should be included in the overall cost of feeding.

Get it all in writing

As the stakes are now considerably higher for both seller and buyer, Undersander states, it is in the best interest of all parties that every major aspect of the transaction be discussed and documented.

"Obviously you want to address the quality and price of the hay," he says, pointing out that all sales should be transacted on a per ton basis and not by the bale. "The weight variation between bales, even of equal size, can vary; and cattle consume hay by the ton and not by the bale."

Other considerations include:

- who is responsible for the transportation of the hay;
- what is the accessibility like to the new storage site;
- who will unload it; and
- whether stacking is part of the package.

Agreeing upon when the hay will be delivered and what form of payment is acceptable are two other issues that must be decided upon before hay and money exchange hands.

Undersander suggests the final sale terms be in writing with copies e-mailed to the buyer, seller and shipper. "It doesn't have to be a long formal contract," he says, "just a few points to confirm everyone is on the same page."



Risk greater with round bales

Most hay experts warn that caution is particularly warranted when purchasing large round bales. Studies have found that measured storage losses of large round bales are generally two or more times that of small square bales. This is due primarily to the fact that round bales are much more likely to be subjected to adverse storage conditions. It has been found that storage losses can be reduced by approximately two-thirds with indoor storage and by one-half with good plastic coverings in outdoor storage.

“The real issue to the potential buyer is that if those round bales have been out in the field, how much of the bottom of that bale has been spoiled because it soaked up water from the soil,” Undersander says.

Research shows, because of their shape, estimating the extent of weathering damage in large round bales requires a particularly critical eye. Undersander notes that when there is deterioration in round bales, inner layers of a large round bale contribute less to the total bale mass than the outer layers due to circumference area differences. For example, the outer 3 inches (in.) of the bale represent 19% of the total bale mass, while the outer 6 in. represent 38% and the outer 12 in. represent a whopping 66%.

In addition, researchers report higher losses occur in the outer 8 in. of the bale, where hay has greater exposure to the elements, than in the core, where it is more protected. One study that analyzed bales with weather damage 8 in. deep noted that the damaged area in the bales was comprised of three layers. The top 4 in. was wet, dark and rotten. The next 2 in. was moist and heavily molded, while the third layer of 2 in. had some light mold and some edible hay.

Quality loss a key factor

While cattle are less likely to consume moldy hay, palatability isn't the only issue that could arise with large round bales that have been improperly

stored. Consider the following: A prospective hay buyer receives the test results from a seller who tested his hay soon after putting it up in large round bales in 2007. He then neglected to properly store them over the winter.

Research conducted on the Eastern Seaboard of the U.S. has shown large round bales stored outside without protection commonly incur dry-matter

losses of 30% or more after six months. Added to those losses is the fact that a failure to properly store large round bales can have a dramatic effect on the hay's chemical composition and feeding value. A recent Canadian study reported total digestible nutrient (TDN) losses approaching 25% in large round bales stored outside unprotected, when compared to those stored inside.

At today's record-high feed prices, dry-matter losses of 30% coupled with the TDN losses of 25% easily translate into a replacement cost of \$30 or more per bale.

“This is all money out of your pocket if you don't pay attention to business,” Undersander says. “These days who can afford that?”



Unless stored properly, the feed value in a hay bale can drop dramatically over a relatively short period of time.