

# Hay Prices Moderate From Record Highs

by  
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U.S. hay prices were at record high levels last spring, and have been declining since. The USDA National Agricultural Statistics Service (NASS) reports average monthly hay prices by state on a crop year

(May-April) basis. Prices are reported for alfalfa hay, other hay, and the combined all-hay categories.

Hay prices in the United States generally increased throughout the last

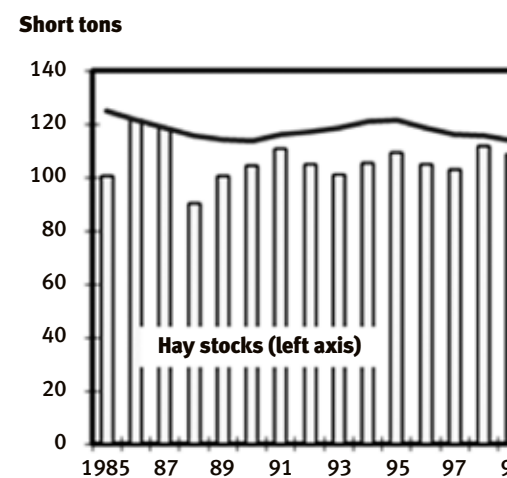
crop year, and other hay prices ended the year in April at a record-high \$157 per ton. Prices have declined this crop year to \$130 per ton recorded in December. Keep in mind that the reported prices are averages, and the range can be wide given varying quality and geographic supply and demand conditions. For example, the highest other-hay price in December was \$230 per ton in Colorado. Contrast that to the lowest average price of \$68 per ton in North Dakota.

Hay supplies declined in the United States for the last several years. Both the competition for land due to historically high crop prices, and the 2011 drought in the Southern Plains and more widespread U.S. drought in 2012 were major causes of the decline. However, better moisture conditions for 2013 in much of the United States caused needed improvement in hay supplies.

In the annual *Crop Production Summary* report released Jan. 10, 2014, NASS reported state and total U.S. hay area harvested; yield per acre; and production for alfalfa, other hay and all hay categories on a calendar-year basis. All hay harvested in the United States, at 58.3 million acres in 2013, was a 3.5% increase over the 56.3 million harvested in 2012. The average U.S. yield per acre for all hay in 2013 was 2.33 tons. That compares to the drought-reduced 2.13 tons per acre in 2012, which was the lowest since the 1.94 ton recorded in the 1988 severe-drought year.

All U.S. hay production in 2013, at almost 136 million tons, was a 13.4% increase over the record-low 119.9 million tons produced in 2012. For comparison with other drought years,

**Fig. 1: Dec. 1 U.S. hay stocks and roughage-consuming animal units (RCAU)**



**Source:** USDA, National Agricultural Statistics Service, Crop Production.



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120.1 million tons were produced in 1976, and 125.7 million tons were recorded in 1988.

NASS also reports May 1 and Dec. 1 hay stocks on U.S. farms in its monthly Crop Production report. Dec. 1, 2013, hay stocks at 89.3 million tons were 16.7% above the historically low Dec. 1, 2012, stocks of 76.5 million.

The May 1, 2013, stocks were also historically low, so that is why record prices occurred. Even though Dec. 1 stocks improved, they were still about 9% below the previous 10-year average.

Currently the Western United States is experiencing very dry conditions, with much of California in severe to extreme drought. Lack of forage is forcing supplemental feeding of beef cows that would normally be grazing. Lack of irrigation water in California will hamper hay and silage production, and it is expected that dairies will need to import hay from other states. Much of the Great Plains has had a very cold winter with higher beef cow maintenance requirements.

So hay supplies will likely remain historically tight, and prices will be impacted as the potential for 2014 hay crop production starts to materialize.



**Editor's Note:** *Tim Petry is a livestock economist with North Dakota State University and wrote this article as an "In the Cattle Markets" installment for the Livestock Marketing Information Center (LMIC).*

