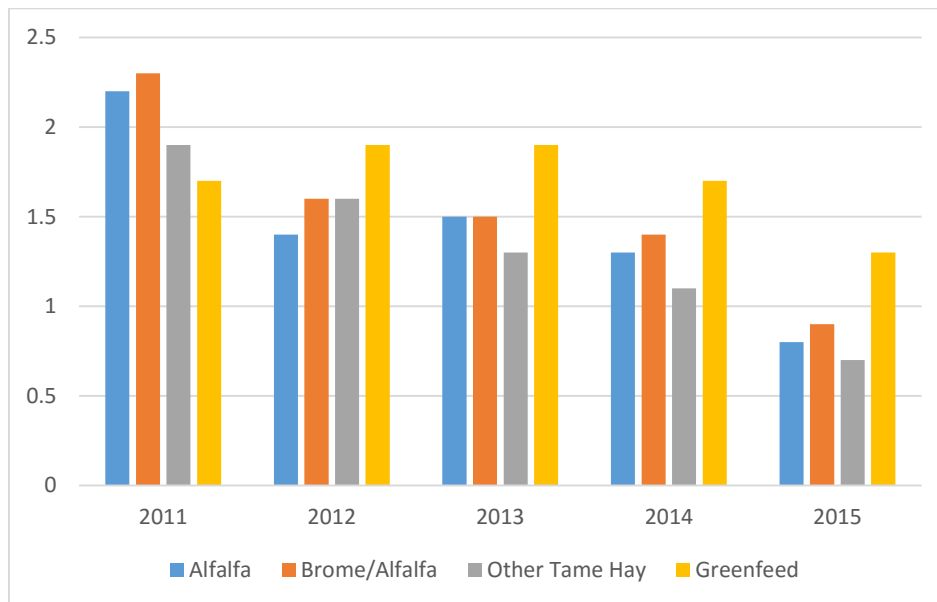


A Snapshot of the Situation in Saskatchewan as at September 30, 2015

Saskatchewan forage prices basically doubled those of previous years, proving this to be a very challenging season for producers looking to source feed.

Saskatchewan experienced cool and extremely dry conditions this past spring, which resulted in well below average forage yields across most of the province as displayed in Figure 1.

Figure 1. Average Saskatchewan Hay Yields (tons/acres) 2011-2015



Many Rural Municipalities were declared as drought areas and yields from first cuts of hay were much lower than expected, prompting concern about feed supplies early on. *Hay that was harvested was reported to be in good quality*, however, as there was very little rain that fell across the province during haying operations. Some producers did not harvest any hay while other producers elected to graze their hay fields. Prices reached record-setting highs, and peaked around mid-July, coinciding with producer concerns over hay shortages and drought.

A turning point came for many parts of Saskatchewan when rain started falling late summer and into September, resulting in a slight downward pressure on prices. Unanticipated second cuts as well as greenfeed and hauled crop supplies possibly contributed to price softening as well. Forage prices as at September 30, 2015 are reported in Table 1 and compared to 2013 and 2014 prices as well.



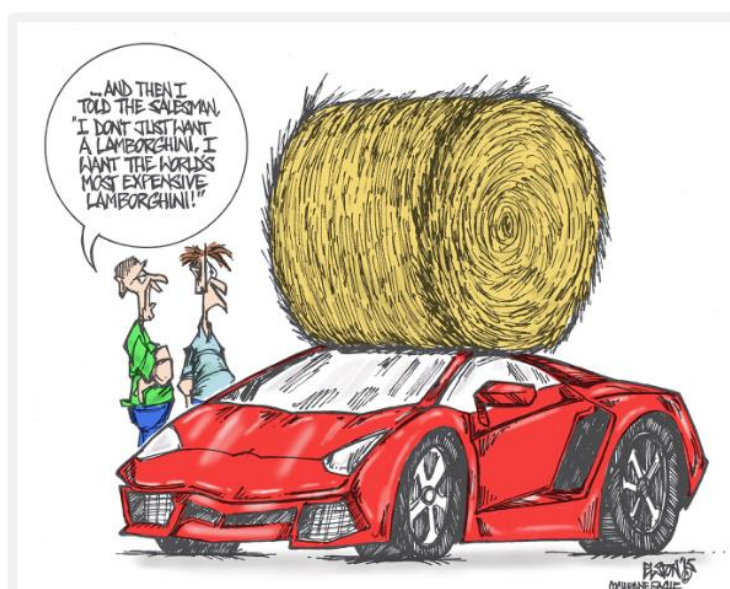
Silage yields were reported as good to above average and pasture conditions were also reported to be generally better in late summer and early fall due to the well timed rains. There are still a few areas that are experiencing dry conditions.

Table 1. 2015 Saskatchewan Prices by Forage Type (as at September 30) Compared with 2013 and 2014 Prices

Forage Type	2015 Average Price (\$/Tonne)	2014 Average Price (\$/Tonne)	2013 Average Price (\$/Tonne)
Grass Hay	162.98	94	82
First Cut Alfalfa	197.23	98	98
Second Cut Alfalfa	232.33	118	111
Alfalfa/Grass Mix	177.35	86	81
Greenfeed	140.96	83	79
Yellow Feed	141.92	-	-
Straw	47.99	44	46
Yellow Sweet Clover	192.90	-	-
Hailed Crops	145.75	-	-

Outside of Saskatchewan

Conditions and prices were similar in neighbouring provinces, with significant yield reductions and corresponding increases in prices reported in Alberta and Manitoba. Both provinces experienced similar cool and dry conditions in the spring time, and some parts of Alberta are still experiencing drought, causing high forage prices to persist and a lot of forage continuing to be transported into the region. The dry spring conditions in Manitoba actually enabled producers to harvest native and slough hay in areas they aren't always able to access, resulting in some additional forage in that region. Drought was reported in Montana and North Dakota, and Conservation Reserve Program (CRP) land was opened up for harvesting and grazing in some jurisdictions to help reduce pressure on pasture and hayland. Perhaps there wasn't as much hay moving into the United States from Canada as in the past, however the spread in the Canadian and U.S. dollar made selling an attractive option for many producers who had a lot of reserves remaining after the winter feeding period.

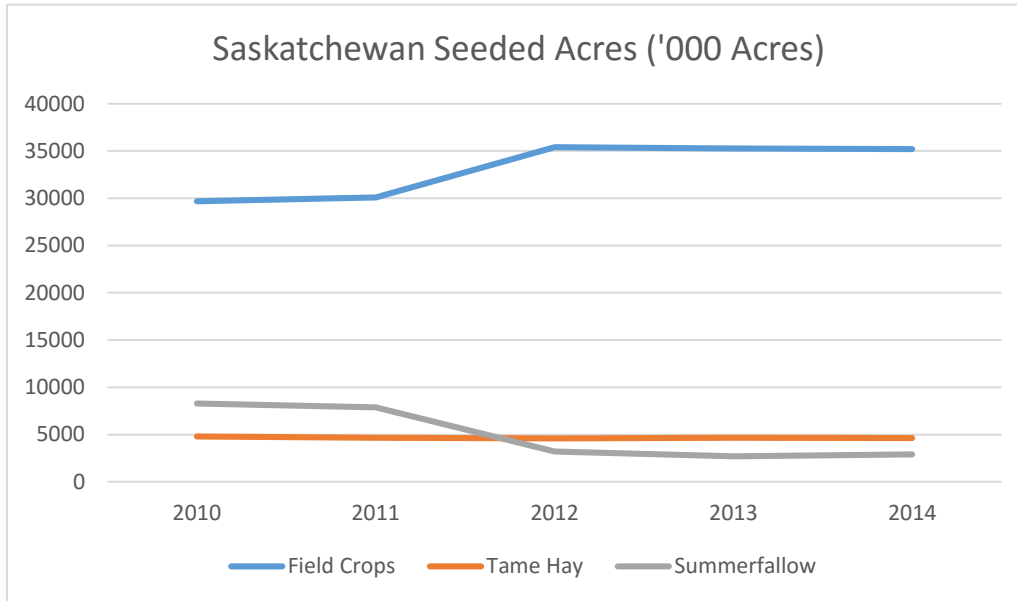


Cartoon by David Elston, appearing in Cochrane Eagle newspaper July, 2015. Used with permission.

Forage Acres in Saskatchewan

While the firm numbers aren't available yet, it appears that tame hay acres have remained relatively stable at just under 5000 acres for the past five years, as seen in Figure 2. There were several reports of producers who had intended on seeding forages in the spring of 2015 deciding to postpone due to the dry spring. Forage seed sales are predicted to remain stable or slightly increased for 2016 due to the higher prices being paid for hay in 2015.

Figure 2. Saskatchewan Tame Seeded Acres



Weeds & Pests

With the increased movement of hay from some regions into others, the risk of moving invasive alien plant species also increases. In years when forage supplies are tight, farmers may make use of hay from ditches and rights-of-ways, or bring hay of questionable quality onto their farm. Of the producers who were interviewed, many expressed concern over the movement of weeds.

Some regions, including central and west central Saskatchewan, indicated a minor presence of alfalfa weevils however the amount found was certainly below the economic threshold for damage in those areas. In southeast Saskatchewan, alfalfa weevil populations have returned to “normal” levels although there were a few fields reporting early cutting or spraying to offset the damage.

Regions like the northwest, west central and southwest areas of Saskatchewan reported increased grasshopper populations although few noted major damage incurred during the 2015 growing season. There is concern among producers that next year the grasshoppers in those areas may have a negative impact on pastures and hay.



Special thank you to all of the producers, forage purchasers and sellers who shared their insight on the forage market in September. We truly appreciate your assistance.

The full version of this report, including a review of conditions by region will be available at www.saskforage.ca

Forage market price data will continue to be collected through the fall and winter and a follow-up report will be presented in January, 2016.