

What's Standing Alfalfa Worth in 2018?¹



One of the challenges when pricing standing hay is the lack of an established market like corn or soybeans. Another challenge is multiple cuttings of hay versus a single harvest for a grain crop. No wonder the price for standing hay can vary greatly between farms, even between fields. Here's one approach for pricing standing hay in 2018.

Example: assume four ton dry matter (DM)/acre for the entire year of dairy quality alfalfa hay worth \$150 to \$200/ton baled (\$0.09 to \$0.12/lb DM); half the value is credited to the owner for input costs (land, taxes, seed, chemical and fertilizer) and half the value is credited to the buyer for harvesting, field loss and weather risk. To estimate total annual dry matter yield potential, determine average stems per square foot at several locations in the field, then calculate using this formula $(0.10 \times \text{stems/ft}^2) + 0.38$. Wait until stems are at least 4-6 inches and count only stems tall enough to be cut by the mower. Actual yield may be lower due to environmental conditions and individual harvest / management practices.

Using yield distribution data based on UW-Extension field research for both three cut (43% / 31% / 26%) or four cut (36% / 25% / 21% / 18%) harvest system, the following price range (rounded to the nearest \$5) may offer a starting point for buyers and sellers to negotiate a sale of good to premium quality standing alfalfa in 2018:

	<u>4 cuts</u>	<u>3 cuts</u>
1 st crop	\$ 130-170/a	\$ 155-210/a
2 nd crop	\$ 90-120/a	\$ 110-150/a
3 rd crop	\$ 75-100/a	\$ 95-125/a
4 th crop	\$ 65- 85/a	

In this example, the sale or purchase value for all cuttings would range from \$360 to \$475/acre. That's why the same price is not always the right price for everyone. Ultimately, a fair price is whatever a willing seller and an able buyer can agree to.

To help farmers and landowners better evaluate their options, Greg Blonde, UW-Extension Agriculture Agent developed a mobile app for pricing standing hay. It offers quick access to baled hay reference values with projected sale/purchase price for each cutting using your own yield and harvest cost information. [The Android app is free to download at the Google Play store](https://play.google.com/store/apps/details?id=com.smartmappsconsulting.haypricing) (search for **Hay Pricing**) or by going to:



<https://play.google.com/store/apps/details?id=com.smartmappsconsulting.haypricing>

This free app will also be available for iPhones and iPads later this spring through the Apple App Store. Both versions (Android and Apple) also include a link to the new 2017 WI Custom Rate Guide. For more information contact Greg Blonde at greg.blonde@ces.uwex.

¹ Greg Blonde, Waupaca County UW-Extension Agent. April 2018.