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# Pask Farms Ltd.

## Fall Newsletter 2022

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### WHAT HAPPENED - WHAT'S NEXT

• **PANDEMIC**

Production stopped, world trade halted, your supply sources mattered.

• **UKRAINE WAR**

World Grain markets were upended, Europe's energy supply is in danger.

• **LABOUR SHORTAGES**

Suddenly there aren't enough people to fill all the jobs at every level.

• **RECORD HIGH PRICES FOR  
FIELD CROPS**

Farmers planted what paid best. Often that meant they didn't plant more alfalfa. Alfalfa seed sales are down, and warehouses are filling up.

• **PARTS SHORTAGES**

Combines are standing this fall, because parts aren't available.

• **HIGHER INTEREST RATES**

The interest free deals on equipment have disappeared, while those variable rate loans are starting to bite.

• **HIGHER INPUT COSTS**

Do you lock in 2023 seed and fertilizer now - or wait it out?

Do you upgrade your iron now, or wait for these shortages and prices to settle down?

• **CURRENCY EXCHANGE**

A weak Canadian dollar helps our export prices on bees and seed, but sure makes what we buy more expensive.

• **LAND TENURE**

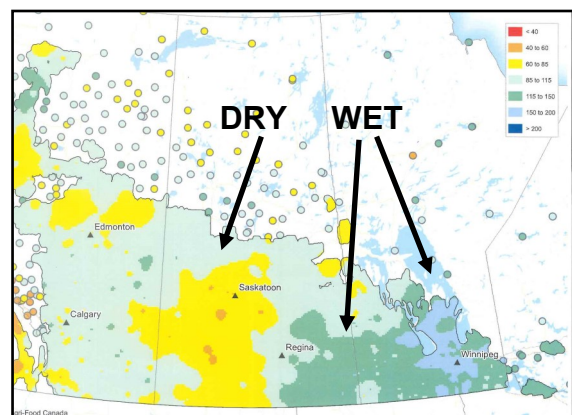
As more farm land is owned by investors, do we still have a chance to buy the neighbors that we rented for 20 years?

• **GOVERNMENT POLICY?**

This might be the scariest question.

### WEATHER OR CLIMATE CHANGE?

In 2021 our farm was gripped in the worst drought and heat wave we can remember. Our alfalfa seed was pretty good, but cereals and canola were a bust. Then fall rain, 3'-4' of snow, and 12" of rain in 2022 changed everything. Our cereals and canola are excellent, while our alfalfa seed harvest will be a lot less than we planned.



### WHAT REALLY MATTERS: Produce All You Can Economically

- Good Clean Alfalfa Stand
- LIVE Bees Out With the Bloom
- Pests Controlled on Time
- Harvest When Crop is Ready
- Market That Production Wisely

### Manage the Off-Farm Impacts

Be aware of all those topics on the left and position your farm business to take maximum benefit of what helps, and minimize the impact of what hurts.

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# ALFALFA SEED PRODUCTION, MARKETS, AND PRICES

## WILL \$2.00 PER POUND HOLD UP? NOT LIKELY!

### SEED MARKETS:

#### Canada and the USA:

The big news here is farmers opted to spring plant corn, soybeans, wheat and canola, rather than plant alfalfa for hay production. Then alfalfa seed sales that normally happen after the winter wheat and soybean harvest simply didn't happen. Yet hay prices have remained strong, and water isn't as big an item.

The USA seed companies are looking at their inventories, together with their 2022 crop. Higher interest rates increase the cost of carrying this inventory. This means USA based seed production contracts aren't being renewed for 2023. Some of their surplus will compete with your common seed if the prices are close.

#### Offshore Markets:

Europe and China are always potential markets for alfalfa seed, but they are very price conscious. They buy lots of alfalfa seed when prices are low, but disappear when prices are at today's levels.

#### Currency Exchange Rates:

Currency exchange rates also figure into prices. Today the Cdn\$ is very weak compared to the US\$. If the Canadian dollar strengthens against the US\$, expect the price in Cdn\$ paid to the grower to drop.

### SEED PRODUCTION:

#### USA and Alberta:

These crops look to be "good" average or better, on similar acres or lower as in 2021. It is a good average crop, when added to the much higher than expected carryover, that increases inventories.

#### Saskatchewan:

The crop looks to be above average in the areas that missed the excessive moisture. This isn't a big crop, but still needs to find a market somewhere.

#### Manitoba:

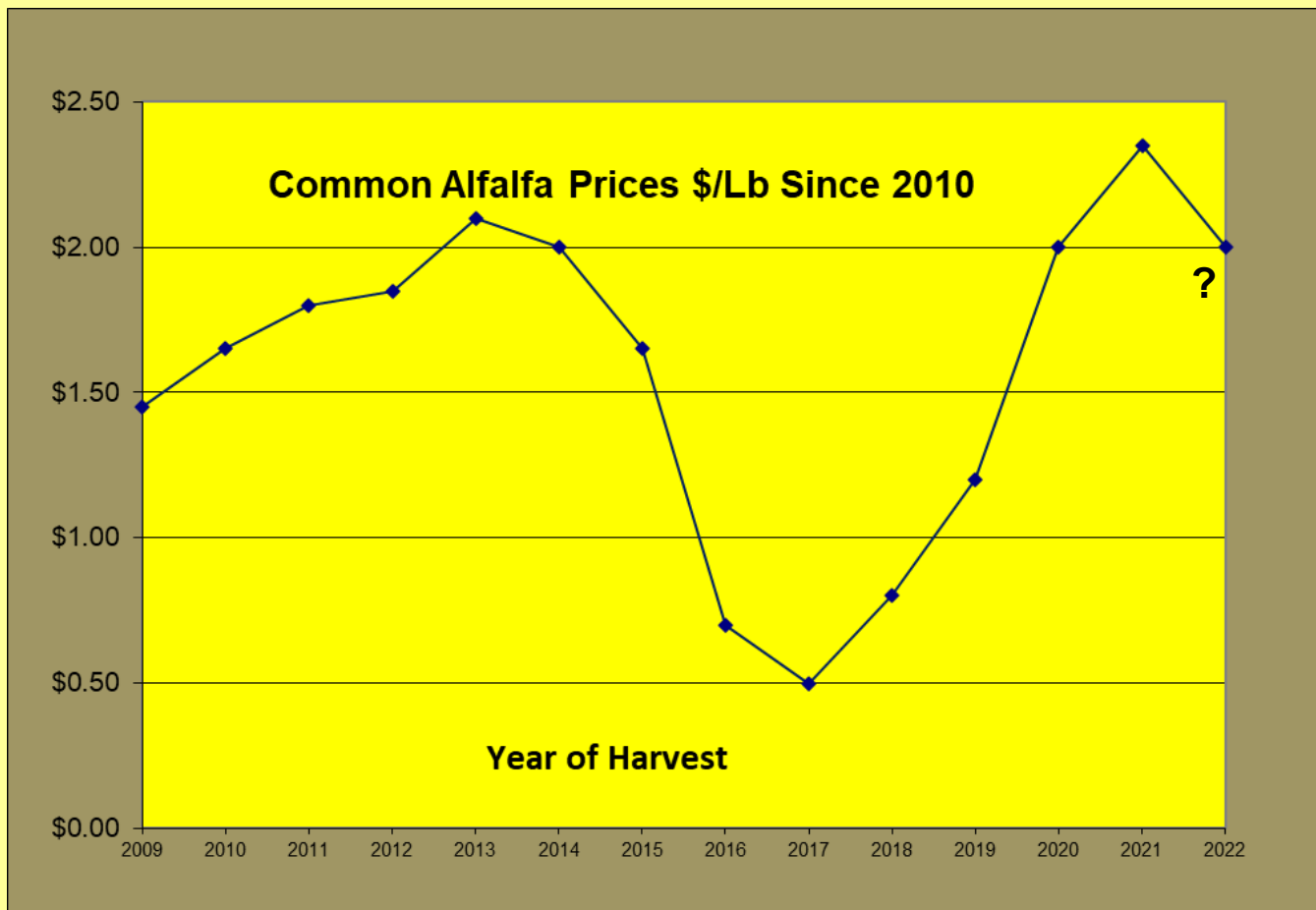
The acres in Manitoba have been steady to lower, and it's hard to produce alfalfa seed when it keeps raining. We don't expect anything extra here.

### SEED PRICES:

We are definitely down from last year's highs and don't expect much aggressive buying. Will prices level out or keep dropping as happened in previous years?

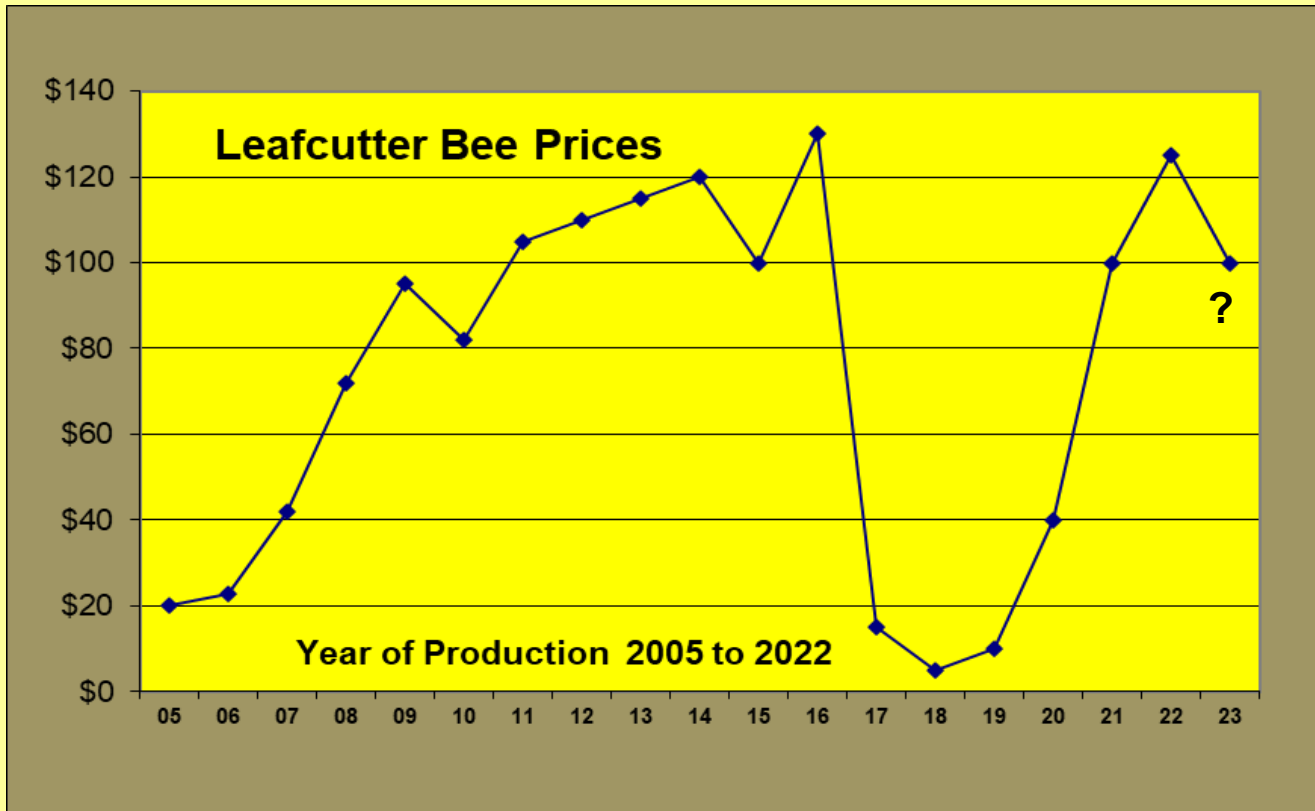
**\$1.40?   \$1.60?   \$1.80?   \$2.00?**

If all the other crop prices stay high, who will grow alfalfa seed at these prices? But first, the seed inventories need to get planted by someone, somewhere in the world.



# LEAFCUTTER BEE PRODUCTION, MARKETS, AND PRICES

## WILL \$100 PER GALLON HOLD?



### BEE RETURN:

What kind of bee return did you get?

The first 10 days of July were pretty marginal for bee release. We didn't get into the high 20s and 30s until mid July. How many bees died in the trays? How many bees were hurt from Vapona or temperature while they were held in the incubator? In the end, our bees did OK, but we have heard a wide range of bee increase expectations.

### Manitoba and Saskatchewan Bee Acres:

There have been a number of bee/seed farmers quit the industry, with a lesser number starting up. With wheat at \$10/bu and canola at \$18/bu, it is easy to understand why alfalfa seed / bee acres are dropping. Our best guess, based on acres and bee increase, is the total bee supply will be a bit smaller than in 2021.

### BEE MARKETS:

#### USA Alfalfa Seed Growers:

At this point all indications are for less bees required in the USA. Alfalfa seed acres will be down across the map. The only hope here is that alfalfa seed sales this fall and winter are great. That would encourage early spring plantings for seed production that would need bees.

### Eastern Wild Blueberry Growers:

Prices on blueberries remain strong, so expect this market to take some of the bees.

### Alberta Hybrid Canola Pollinators:

This is the wild card. Canola remains the dominant money making crop for farmers in Western Canada. Seed canola production must happen, and these acres must be pollinated.

### BEE PRICES:

Market Pricing always hold a high degree of Fear and Greed. The bee grower wants as much money as possible (Greed) but also knows he either sells them or flies them (Fear). The bee buyer wants to pay as little as possible (Greed), but must have bees to pollinate his crop. (Fear they may not be available).

There will be much posturing by both sides as bees are bought and sold. Who will blink first in this showdown? Historically in a market like this, bees are sold below the average price at the start, and above the average price at the end. The Range will be:

**\$60 - \$70 - \$80 - \$90 - \$100**

Any of these prices should leave the bee seller with a profit, when the smoke clears.

## TERMINATING ALFALFA

Usually an application of glyphosate, pre or post harvest, isn't sufficient to kill alfalfa. The following year, that alfalfa emerges in the newly planted crop, and can be very competitive and very hard to kill.

The top picture is the result when canola was planted into alfalfa ground treated with only glyphosate the previous fall. A very disappointing canola harvest caused by intense alfalfa competition.

Some Additional Things We've Tried to Kill Alfalfa:

- Mix 24-D with glyphosate post harvest. The 24-D did very little to improve the alfalfa kill.
- Fall cultivation. That helps kill the alfalfa, but the field is drier, rockier, and has no snow catch.
- Mix 24-D and dicamba with glyphosate post harvest. That has been the best solution to date, and we have re-cropped to canola twice. The field in the 2nd picture had that treatment in fall 2021, this is the canola stubble in the fall 2022. Very little alfalfa and a much better canola crop.

This is seriously off-label so you are on your own.



## OUR 2022 PRICE PREDICTIONS:

**Bees:** If you can get \$100, jump on it. The market could get short in spring, with new demand from USA seed plantings and hybrid canola acres demand. Just save some bees for this possibility. Be prepared to fly the bees you keep.

**Seed:** Expect early market weakness, with no one cutting dockage or bidding up the price to buy your crop. Remember alfalfa seed in good condition will store well for years. Have you the bins and cash to wait this out? As farmers, we would **jump on \$2.00, but look at offers over \$1.50**. Seed lots will be cherry picked based on quality and ease of processing. Sell what you need to move.

**We Will Be Buying Alfalfa Seed - Send Us Your Samples**

***Please send us a 1 kg sample of any alfalfa seed you have for sale***

We will do a detailed dockage test and give you a quote for dockage and price

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