



What's Standing Alfalfa Worth in 2020?¹

One of the challenges for pricing standing hay is the lack of an established commodity market like corn or soybeans. Another challenge is multiple cuttings with different quality and yield, versus a single year-end harvest for grain crops. As a result, the price for standing hay often varies from farm to farm, even between fields. Here's one example for pricing a field of standing alfalfa (or grass hay) in 2020.

Example: assume 4-5 ton dry matter (DM)/acre for the entire year of dairy quality alfalfa worth \$200 to \$250/ton baled (\$0.11 to \$0.14 / 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, weather and price risk. Keep in mind the lower end of the price range is often more appropriate during the growing season often reflecting the increased supply...and possibly weaker demand this year from uncertain dairy/livestock markets due to the ongoing pandemic.

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 could be less due to environmental conditions and harvest management practices.

Using yield distribution estimates from ongoing UW-Extension field research for both three-cut (40% / 30% / 30%) and four-cut (35% / 25% / 20% / 20%) harvest systems, the following price range (rounded to the nearest \$5) may offer a starting point for buyers and sellers to negotiate the sale of good to premium quality standing alfalfa in 2020 (note, discount these values by 25-30% for good quality grass hay with RFV/RFQ between 125-150 points):

	<u>3 cuts</u>	<u>4 cuts</u>
1st crop...	\$175-280/a	\$155-245/a
2nd crop...	\$130-210/a	\$110-175/a
3rd crop...	\$130-210/a	\$ 90-140/a
4th crop...	~~~~~	\$ 90-140/a

In this example, the sale or purchase price for all cuttings the entire year would range from \$435 to \$700/acre. Again, this not the right price for every situation. Ultimately, a fair price is whatever a willing seller and an able buyer can agree on.



To help farmers and landowners better evaluate the options, Waupaca County Extension Ag Agent, Greg Blonde, developed a mobile app for pricing standing hay. It offers quick access to current baled hay markets with a projected sale/purchase price for each cutting using your own yield and harvest cost information. The app is free to download from the Google Play Store and for iPhones and iPads thru the Apple Store (search for **Hay Pricing**). The app includes links to the current WI Custom Rate Guide and the NCR Alfalfa Management Guide. For more information, contact Greg Blonde at greg.blonde@wisc.edu.

¹ Greg Blonde, Waupaca County UW-Extension Agriculture Agent. April 2020.