

Pask Farms Ltd.

Box 40
Atwater, SK
S0A 0C0
www.paskfarms.com

Phone:

306-745-2571

Fax:

306-745-2564

**INSIDE THIS
ISSUE:**

**Prices Are On The
Way Up** 1

**History Gives
Perspective** 2

Alfalfa Seed 2

Leafcutter Bees 2

**Processing and
Marketing** 3

Contract Seed 3

Team Building 3

Environmental 4

SASPDY Levy 4

Game Changers 4



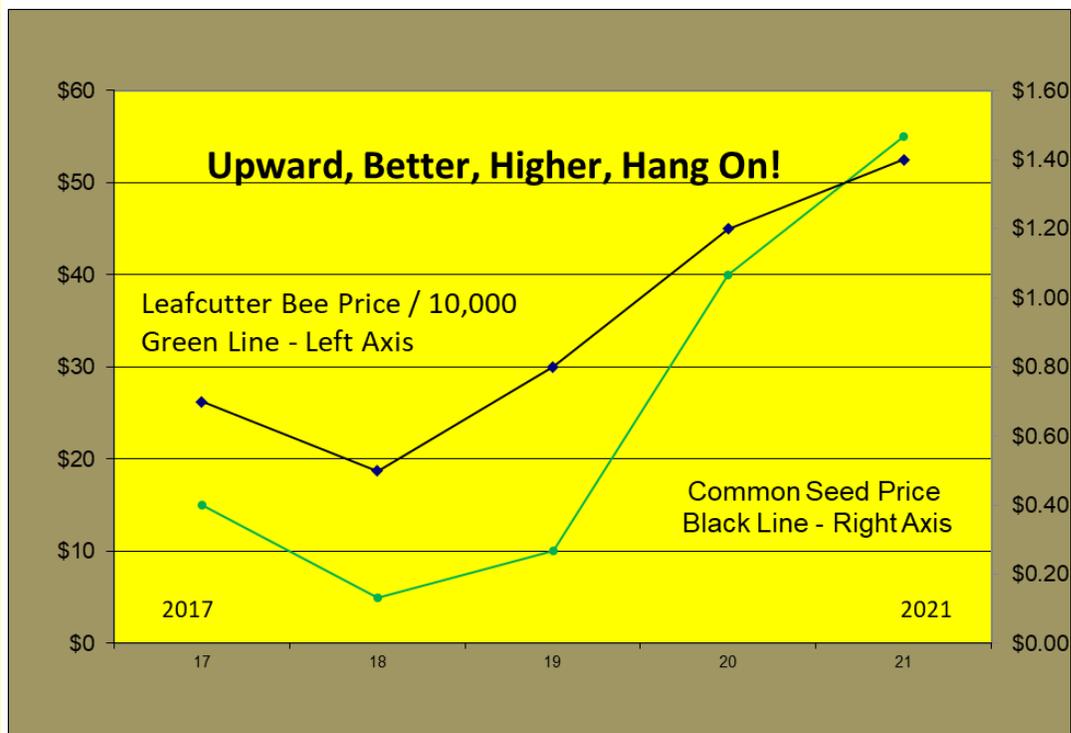
Pask Farms Ltd.

Spring Newsletter 2021

craig@paskfarms.com

murray@paskfarms.com

PRICES ARE ON THE WAY UP



WHAT CAN WE EXPECT IN 2021

The short answer is higher prices. The "cheap" alfalfa surplus is getting planted. There has been steady sales of alfalfa seed with prices moving higher over the last 6 months.

Off shore markets in Europe and China continue to eat up "cheap seed". In fact, the China inquiries seem to come from more and more players. We even shipped a load to Peru this year.

The USA hay market continues pretty strong. There are lots of hay - cow guys who don't need to buy the latest greatest variety. There may still be a surplus of expensive seed in USA warehouses, but no one is about to give it away.

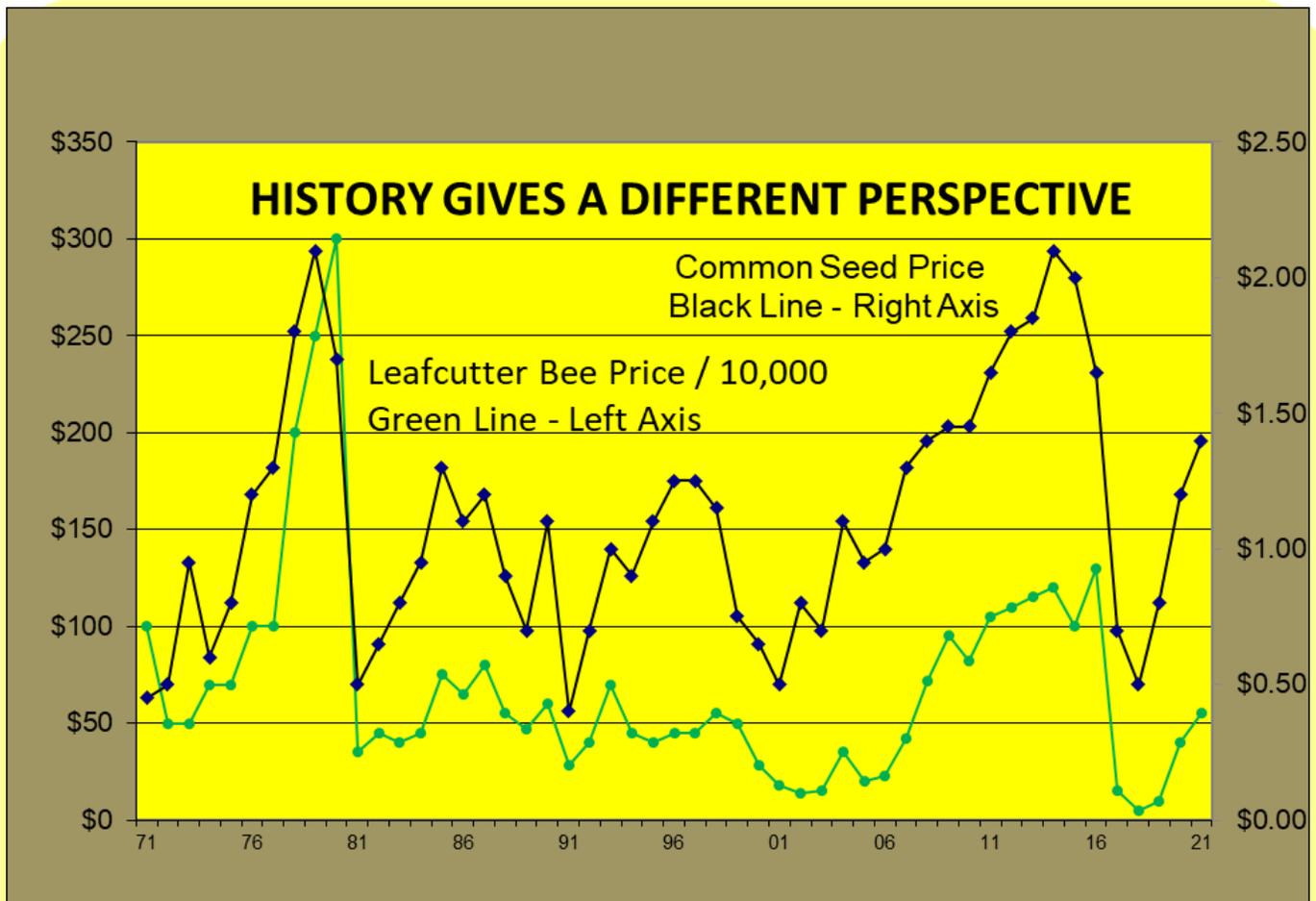
In our fall 2020 newsletter, we said we planned to start buying alfalfa seed at \$1.25 per pound. A couple other companies called us, concerned that \$1.25 might be too high. Maybe \$1.10 to \$1.15 would be more reasonable. We actually thought \$1.35 was a more accurate guess.

Within two months the industry was having to pay \$1.40 to get the seed. We topped up the price to the growers who sold to us off the combine for \$1.25. A thank you for their loyalty.

And Bees - Most guys sold for \$50 to \$60, the highest price we have heard was \$75 on 1,500 gallons.

THE SKY IS THE LIMIT. Right?

www.paskfarms.com



WHAT CAN WE REALLY EXPECT ?

The first page of this newsletter is the one to give to your Banker. Like today's media, politicians, and activists, it only tells half the story. We had our seed business hat on when we wrote that page. That business is based on volume and margin. The chart is accurate, we didn't tell any lies, but the implication is: **Grow more alfalfa seed and leafcutter bees.**

When you grow alfalfa seed, your strategy is quite different. Price is king, and price is driven up when the market is under supplied. As growers, we are both entrenched and secretive. We know these are both niche market crops with wild swings in price and production. As growers, we are not about to encourage anyone to get into this business. This is a very different perspective from wearing our seed company hat.

Experience and long term perspective is needed to bring some common sense to the crystal ball. Alfalfa seed and leafcutter bee production are considered to be "mature" crops. This means the management tools, production techniques and marketing strategies are well known.

This chart shows 51 years of alfalfa seed and leafcutter bee prices. A longer perspective seems to point to price peaks and valleys every 10 years. Like many markets, it is a long climb to the top, and a swift ride to the bottom. The best advice is to proceed, knowing the cycle will be repeated.

ALFALFA SEED:

All indicators point upward for 2021.

- The cropping monoculture of corn, corn, corn, is giving way to more diverse crop rotations that include legumes.
- The beef cow and dairy industry are including more forage in their rations. Hay prices in the USA remain strong.
- New seed production in the USA remains unplanted, as growers couldn't obtain leafcutter bees for these additional acres.
- Offshore exports of both hay and alfalfa seed continue to be strong.

LEAFCUTTER BEES:

Supply - Demand looks tight for 2021

- Alfalfa seed production acres look higher for 2021, both in the USA and in Canada.
- More acres in alfalfa seed production means more bees are needed.
- The blueberry industry kept buying leafcutter bees at top prices this spring.
- The hybrid canola industry isn't going away.
- High prices mean we all plant more acres, and these "local" acres need bees.

PROCESSING AND MARKETING YOUR 2020 CROP

Quality always sells, but there is a market for almost everything. The killers are Heated Seed, and Sweet Clover. First, we are selling seed and it has to germinate. Next, the world market for any amount of sweet clover in alfalfa seed is limited to cowboys in Western Canada. Rogue it out, spray Pardner in July a couple of times, but don't show up with sweet clover issues.

SOME COMPLIMENTS:

Lloyd Wilson has run the seed plant since the mid 1980s. He is seeing better quality seed lots, with a lot less Canada thistle, and less weeds in general. He can see the growers who use Pardner in July on volunteer canola, and those using Authority on resistant cleavers and kochia. Keep it up guys.



In 2020 we had 800 acres of ugly sweet clover issues. We mowed patches, we sprayed Pardner. We rogued it and we rogued it. In the end we were well paid for our efforts. It was all high priced contract seed, and ended up testing sweet clover free.

CONTRACT PRODUCTION:

Following four years of too much contract production that resulted in seed surpluses, low prices, and zero contracts, Guess What? It seems everyone has ran out of seed of their varieties. In the USA, they were used to planting in March and April. This year there weren't enough leafcutter bees to pollinate any increase in acres. That production is still waiting to get planted.

Contract Production has been settled anywhere between \$1.40 to \$1.65 in Saskatchewan. Our contracts average above \$1.60 net to the grower. Contract production has hurt growers when:

- The company stalled on taking delivery.
- Grower payments weren't paid in a timely fashion.
- Dockage disasters that were hard to justify.

We have contracts to plant this spring that offer firm **minimum prices of \$1.50 or more**. These offer price protection when the market crashes. Trust and experience is more important than price when making these decisions.

Common Seed Production works good when:

- The supply is short and buying is competitive.
- You have lots of bin space to store the crop.
- You have deep pockets to wait out the lows.
- Your seed doesn't heat or lose germination.

TEAM BUILDING:

Professional sports teams talk about rebuilding years. HR Consultants talk about building teams. As farms get bigger, team building with long term, year around, capable team members is very important. Here is Craig, leading by example. On the left is his 16 year old son Jay. On the right is 18 year old Hayden, who was part of the endless sweet clover team, and never left. They were "stuffing" a container today with alfalfa seed for China, while Grandpa Murray leisurely ran a forklift. This was 98% pure, 80% germ seed that has a very limited market in the world.

Good to see it leaving North America.



THINGS TO THINK ABOUT

THE ENVIRONMENTAL MOVEMENT:

This fast growing movement is focused on saving all of us and our planet from our own actions. Global warming, climate change, consumerism, animal rights (not animal welfare), organic food, and world population are some of the buns in this basket. It is a movement that dominates the media, political agendas, and government policies in much of the world. The "True Believers" are fanatical and uncompromising in their pursuit of the new religion. Years back government moved the Pest Management Regulatory Agency from Agriculture Canada to Health Canada. Some key tools soon to disappear from our pesticide toolbox include:

Lorsban (chlorpyrifos) and generics will be gone as soon as supplies are used up. This has been an excellent product for controlling alfalfa weevils, cutworms, bertha armyworms and wheat midge.

Roundup (glyphosate): First it will be gone for preharvest on wheat, oats and canola, but the big push is for a 100% ban everywhere. For everything. Period. Are we back to cultivation, dust storms, lots of diesel fuel consumption, water erosion, and summer-fallow?

Vapona (dichlorovos): This product is now banned in much of the world, with pressure mounting to ban it in Canada. Are you OK to manage parasites without it?

Strychnine for Richardson ground squirrel (prairie gophers) control. It looks like we've lost it.

GAME CHANGERS:

These come out of nowhere, and completely change the game. Research on Google, Buy on Amazon, Sell to the world with a Website. Office buildings expected now to be permanently emptied by people working from home.

I remember my Dad saying that in 1945 that he looked at buying land just west of Winnipeg. Level, fertile, no rocks, no trees, no sloughs. Beautiful, but loaded with wild mustard. That wild mustard was so thick and competitive that grain farming simply wasn't possible. So he bought here in rocky, hilly, land, with both sloughs and bush.

The next year they released 24D.

SASPDC LEVY ON ALFALFA SEED:

As growers, we pay \$.0125 per pound of clean seed checkoff toward the Saskatchewan Alfalfa Seed Producers Development Commission. We get asked "Is this money doing any good?". The short answer is **ABSOLUTELY YES**. The work isn't as "in your face" as it was, but partnering our checkoff money with other research will yield results. A few key projects being funded include:

- Partnering with the Agricultural Development Fund in developing saline tolerant alfalfas.
- Membership and support of the Prairie Pesticide Minor Use Consortium, which gets minor use registrations for pesticides that aren't registered for alfalfa, but are known to be a good fit.
- Funding new strategies for parasite and disease control. This on-going collaboration between Dr. Baines and Wayne Goerzen indicates the potential of plant powders to control parasites.

Take some time to re-visit www.saspa.com. The SASPA board, Guenette, and Wayne work hard to put your dollars to work in ways that will benefit your farm.

**Good Decisions Come From Experience
Experience Comes From Making Bad Decisions**

Mark Twain

Keep Safe, Laugh Every Day, and Keep One Pocket Hidden from the Government

Craig Newton - craig@paskfarms.com *Murray Pask* murray@paskfarms.com

Pask Farms Ltd.

Box 40, Atwater, SK S0A0C0 306-745-2571

www.paskfarms.com