

Pask Farms Ltd.

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

Phone:

306-745-2571

Fax:

306-745-2564

**INSIDE THIS
ISSUE:**

Alfalfa Surplus 1

Seed Acres Down 2

Alfalfa Prices 2

**Will Farmers Still
Plant Alfalfa** 2

Leafcutter Price 3

Bee Outlook 3

Seed Positives 4

Bee Positives 4

Predictions 4



Lloyd - Plant Expert

Pask Farms Ltd.

Spring Newsletter 2023

craig@paskfarms.com

murray@paskfarms.com

ALFALFA SEED SURPLUS

WHAT HAPPENED?

Two years ago, the seed price roller coaster was slowly climbing the hill. We all waved our hands and enjoyed the ride. Suddenly we went into a downhill spiral. Who is to blame?

SUDDENLY — THE HIDDEN SURPLUS

Everyone had too much seed and no one was telling the truth. The players are:
Forage Genetics—50% of market
Alforex—30% of the market
Everyone Else—the last 20%

ALFOREX - FIRE SALE OR WHAT?

Suddenly, Alforex Seed, was put up for sale by the owner Corteva. They wanted out of the alfalfa seed business. They cancelled all grower contracts, paid growers as much as \$1,000/acre to plow seed fields, started dismissing staff.

S&W Seed left the dormant alfalfa seed market, doing the same as Alforex, maybe just not as generously.

Everyone Else are making significant alfalfa seed production cutbacks.

EVERYONE ON THE ROLLER COASTER IS POINTING FINGERS AT EVERYONE ELSE

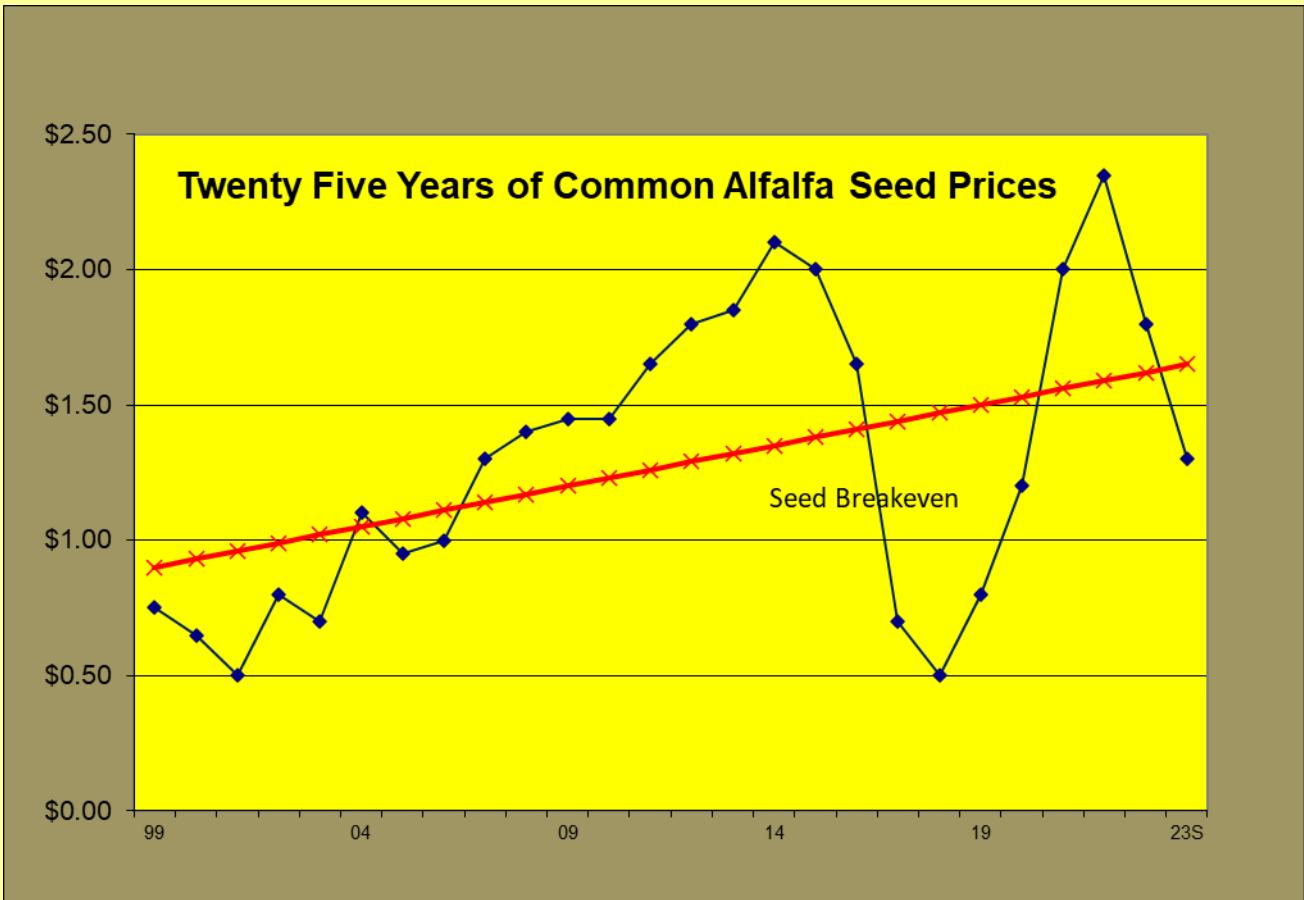


WHO GREW THIS SURPLUS?

If you live in the USA, it was Canada's fault. If you live in Saskatchewan, it was Alberta's fault. If you live in Alberta, yes they grew lots of seed but they had contracts. Contract seed production accounts for 90%+ of alfalfa seed grown in North America. It was everyone's contract production that swamped the boat. It was only a matter of time until someone jumped overboard. Alforex was the someone.

WHY DID THIS HAPPEN

- Too Many Acres Got Contracted
- Better Growers got Better Seed Yields
- Coated Alfalfa Seed Goes Further
- Plantings of Alfalfa Hay Declined
- Better Genetics = Longer Life Stands
- Corn/Soybean \$ are bigger than Hay \$
- Hay requires more irrigation water
- High Interest Rates & Inventory
- Large Dairies Increased Corn Silage



ALFALFA SEED ACRES WILL BE LESS:

Everyone has too much alfalfa seed on hand. The big USA companies have too much seed. The Canadian companies have excess seed. The farmers still have common seed in the bin. New contracts at profitable prices are hard to find. Forage Genetics has cut back their USA production as well. There is no doubt that alfalfa seed production in North America will be significantly lower in 2023.



A decent canola, wheat or barley crop can turn a profit for any of us this year. The USA guys have their options as well. Alfalfa Seed/Leafcutter Bees are risky crops with even more risky prices. Good farm workers are in short supply, and these crops are labor intensive. The micro management they require is not well suited to the big scale farms starting to dominate our communities. Older guys are taking the high land prices and leaving the industry. There are lots of reasons to quit and not many to start.

WILL FARMERS PLANT ALFALFA SEED?

Each year we make a USA tour delivering bees to seed growers, visiting seed companies, trying to project the future of this industry. It is easy to forget the most important person is the farmer who plants our seed to grow hay. How is he doing?

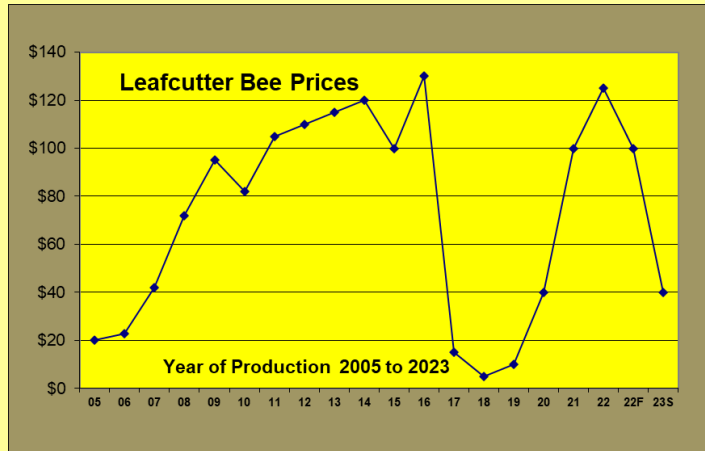


Selling our Gopher General machines to over 100 farmers growing hay in more than 15 states, has given us more insight into the hay business. We talk with lots of hay growers, and there are many positives:

- Hay Prices are really high
- Beef & Dairy cows need more than corn silage
- Export Hay markets are strong
- Hay has relatively low inputs

LEAFCUTTER BEE MARKETS AND PRICING

THOSE PRICES DIDN'T LAST VERY LONG



Here we are on another quick trip to the bottom. In our fall newsletter, we suggested a range of \$60 to \$100. That was before Alforex Seeds plowed all their fields. That left most of the Washington seed growers with no alfalfa to pollinate, meaning they had to sell whatever bees they had. More cuts backs in the USA meant very few Canadian bees went into the traditional dormant alfalfa seed production areas. That really shrank the USA bee market. Alberta cut back as well, putting more bees on the market. The bee supply grew, and the bee market withered. The saving demand came from hybrid canola and low bush blueberries. Prices were in the \$60 to \$100 range, but they are still falling. **\$35 is the current rumour.**

OPTIONS FOR EXCESS BEES:

Bees are a perishable commodity, you can't store them for long. You can sell them, or fly them. There aren't good options. When you double up the bees in the same trays, boxes and shelters, the outcome usually isn't good. You need to do some serious thinking before buying more bee equipment for a one year surplus.

WILL LEAFCUTTER BEES HAVE A FUTURE?

Absolutely Yes! This bee is a good pollinator of certain crops under certain circumstances.

Alfalfa Seed: This crop can be pollinated with honey bees, but only under certain circumstances. California always grew alfalfa seed and pollinated with honey bees. When leafcutters were in excess at low prices, California tried leafcutters and soon learned that they are a better pollinator than honey bees under any circumstance. The only other domesticated bee is the alkali bee, which has proved difficult to propagate when insecticides are used on nearby crops.

Hybrid Canola: The short flying range of the leafcutter means cross pollination of the seed field from a field a few miles away simply doesn't happen. The honey bee will range five miles, which makes for

very long isolation distances on hybrid canola seed fields. Canola is a profitable crop, and its share of farm acres in Western Canada and the USA continues to grow. The seed production area is expanding beyond Alberta. Those hybrid acres need pollination and leafcutters are the best choice in most circumstances. This is becoming a much larger leafcutter market.

LOW BUSH BLUEBERRIES:

Initially pollinated by honey bees, this crop is seeing greater use of leafcutters, even at the higher prices. More leafcutters are heading in this direction.



PARASITE CONTROL:

Hot weather in July and August often means more parasites. Vapona and tightly sealed boxes are the main two means of control.

Wayne Goerzen's current information is the PRMA has permanently ended use of dichlorvos as of August 2023.



Testing bees for live count, parasites, females, and possible diseases, either by yourself, or a bee testing lab, is an important yearly task. Here are three generations of our family, cutting 10,000's of cells.

MARKET FOR THE 2023 BEE CROP:

There were a lot of bees on the market this year. USA alfalfa seed growers who always buy bees, became sellers as their alfalfa seed acres disappeared. The key thing about bees is they either fly or they die. You can't store them for long. This means the market can change very quickly.

Expect prices to start at \$50 this fall, but dragging your feet might pay off in 2023-2024.

FARMERS ARE NATURALLY OPTIMISTIC

If we weren't optimists, we wouldn't be farming.



ALFALFA SEED:

The USA's alfalfa seed industry will come back some, but never to the size that it was. The same is true for Canada, but we are the people who can increase leafcutter bees. That ability will continue to be important. The improvements in alfalfa genetics have been slow, as compared to crops like corn and canola. That means older, Non-GMO varieties still have a place in the market. We bought all the Certified Algonquin we could find at prices above \$2.00/lb.

A lot of our alfalfa seed surplus has moved off shore. Europe and China have been good buyers at these lower prices. France and Italy had a really poor alfalfa seed crop. They both want Non-GMO alfalfa, which is hard for the USA to supply.

ALFALFA SEED POSITIVES:

Cattle Prices are high and forecast higher

Hay Prices are near record levels

Dairy Prices remain pretty decent

Many long term alfalfa seed growers are gone, which means only a few of us are left

Buy-in is Slow on Plant Based Burgers

Just had a Huge Reduction in Seed Acres

Alfalfa is a "Green" Crop (Environment, Right?)

CONTRACTS, PRICING AND PLANTINGS:

Common seed prices crashed and burned.

VNS Alfalfas were only a bit better than Common.

Contracts paid \$2.00—\$2.30 per pound.

Certified Algonquin brought \$2.00 in spring 2023.

We have Foundation Algonquin, some very clean VNS alfalfa and a few contracts available.

Cleavers, Canola, and Kochia are the bad guys.

LEAFCUTTER BEE POSITIVES:

Honey bees can be expensive pollinators.

Leafcutter Bees short flight range limits pollination isolation requirements.

Bee increases happen in Saskatchewan.

Leafcutters are BOSS on certain crops.

Leafcutter Pollination Opportunities are Growing.

Who is Left to Supply Bees Next Year?

PRICE PREDICTIONS:

Based on an "average" 2023 Season think:

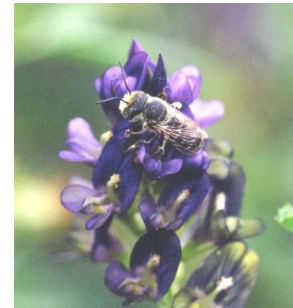
- Bees - Start at \$50, upside potential
- Seed - Start at \$1.50, very crop dependent.

We had had a few good crops in a row. Will 2023 be the year July & August are cool and rainy?

BEE AND SEED PRODUCTION POINTERS:

It's been a pretty quiet year regarding any new production methods in our bee and seed industry. All our past newsletters can be found in the Grower section of our website. The bug, weed, disease and harvest strategies we use are all in those newsletters. Try to deliver seed with

NO CANOLA, CLEAVERS, or KOCHIA, and NO SWEET, RED OR ALSIKE



Craig Newton - craig@paskfarms.com

Pask Farms Ltd.

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

www.paskfarms.com



Murray Pask - murray@paskfarms.com