



Crop Watch

We are thankful for pretty good harvesting weather again this year. Except for rain that stopped things during a 4-5 day window, harvest has gone well in the Willamette Valley. Most of the annual ryegrass, orchardgrass, and tall fescue are out of the fields and harvesting of perennial ryegrass has begun. Bentgrass and clovers are still to be done.

As far as yields go, annual ryegrass is about average, however, the consensus is that acres are down some from '06. Orchardgrass is definitely below average and acres are down again. Another factor is less production in Europe. Tall fescue yields are down, but acres are up, so expect supply to be comparable to last year. Perennial ryegrass acres are down and expect below average yield. We have also been told that hard and Sheeps fescue "got hammered." The other fine fescue yield reports are all over the board.

Outside the Valley, bluegrass production in both the Pacific NW and Minnesota is off slightly, while the Canadians are reporting "about-average" creeping red fescue yields.

Overgrazing - Don't!

This year would be a good one to remind your forage related customers and sales staff that regrowth can be severely stunted if pastures are overgrazed. Many folks know about the "take half, leave half" rule. The research behind that is pretty noteworthy. When leaf volume is reduced by 50% or less, only 4% or so of root growth stops. However, at 60% leaf removal, up to half of the roots stop growing and by 80% leaf removal, nearly all of the roots stop growing. Without healthy roots, plants have even a tougher time surviving, let alone recovering, especially during dry times.

The same agronomics holds true for turf applications. Lawns that are mowed too short, especially in the hot, dry times, have a harder time recovering and being rooted sufficiently for future stresses, such as disease and insect pressure.

Market Watch

Most likely, you are already aware of all or some of the following factors that appear to be worth keeping in mind this year as we consider where crop prices might end up for both this fall and next spring. A

Weather - There are parts of the country, especially in the Southeast that are poised to use large volumes of grass seed, both turf and forage. Drought and heat have caused significant damage to many perennial cool season pastures and lawns. Forage demand is high for both temporary feed solutions and reseeding of permanent pastures. This should create strong demand for annual ryegrass, tall fescue, and orchardgrass. Further north, summer has been hot and dry, but timely rains have prevented drought conditions. Insect damage is also being reported in some areas.

Housing - Unfortunately, the housing market is just not good and probably won't be for some time, unless you are in a few pockets like Tulsa, El Paso, or Rochester. This is affecting landscapers, hydroseeders and sod producers. The good news for some sod farmers is a number of them can go to alternative crops like corn or wheat.

Economy - Yesterday, the Conference Board reported that consumer confidence is at a "near six-year high." Tie that in with a down housing market and what you may find is a growing home remodeling market run by a "fix what we have" mentality. This could potentially be tapped into for increased sales in renovating old lawns.

Crops - If you look across the board, there is strong farmer pressure to keep prices high and not over-produce. Coupled with many favorable crop alternatives, we are at a point in time where prices are strong and inventories are very manageable. We could actually call the overall turf and forage market pretty "stable" right now. And we all know that higher prices can mean higher profits if we keep our margins and manage our resources correctly.

Money - With the weak dollar, US grass seed, and even contract seed production is more attractive to foreign markets, meaning potential market pressure on current and future crops.