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Spring Edition

ACX ADVISOR

Highlights:

- PNW harvest delayed at least 10 days...
- PMW yields down 10% over last year...
- PSW prices starting to soften...

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Pacific Northwest - PNW *Ellensburg Division Update*

Columbia Basin hay farmers are waiting for warmer temperatures to begin 2011 first cutting harvest. Most hay will be cut at less than 1 ton per acre and will more than likely be heading to local Dairies.

Cold weather has delayed harvest at least 10 days. All fields are behind in production but quality is looking good so far.



As harvest approaches some customer are showing much concern about High pricing similar to 2008. Customers are warning that high prices will slow down demand and use of roughage products from the U.S.

Farmers have plans to further decrease acres of alfalfa after the first cutting in the Columbia Basin.

Timothy fields are growing well in the Columbia Basin.

U.S milk prices remain low and out of balance compared to rising feed cost. Feed cost for Dairies is at an all time high.



Ocean freight remains relatively stable after the recent GRI. In the PNW, several new transpacific vessel services have launched in the past few months increasing export capacity. We have yet to see this put downward pressure on rates.

Our focus in 2011 will be to keep our products moving and to avoid market instability. ACX will continue to promote good value to our customers around the world. Healthy markets are maintained when hay is moving consistently.

Pacific Midwest - PMW

Wasco Division Update



Prices are starting to cool down as temperatures start to rise. Highs in the 90's have helped build up alfalfa inventory as well as other crops.



Dairies in central California are feeding day to day and have reduced alfalfa by 60% to help lower their feed costs. Inventories are not building up at dairies unless they are produced from their own fields.



Yields are down by 10% compared to last year which may become a trend as we go thru the season. Quality is mixed, heavy spring rains had large amounts of grasses and weeds in the first cutting.

ACX is Ready



Traditionally, second cutting is priced higher than first because it looks better and is clean. Some contracts are starting to firm up for summer alfalfa but most growers are waiting for the market to stabilize.

Fuel surcharge has come up as diesel prices keep rising. This could have a big effect going into the summer.

Wheat silage will start in May so dairies are hoping for a harvest to take the edge off the high alfalfa price.

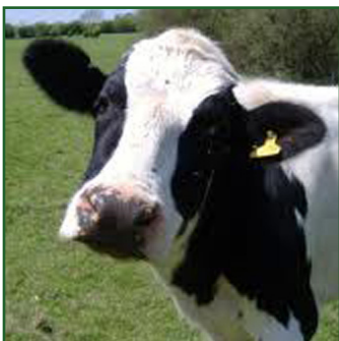
Good interest in Sudan for export as farmers are less concerned about water supply. Growers feel that alfalfa prices will help keep Sudan hay prices up through the summer.



Imperial Valley exporters are below 2009 and 2010 inventory levels. This could start an aggressive move for premium quality this season.

Water is flowing in the rivers and reservoirs are at record high levels. Farmers know they can plant and harvest without the fear of losing a field in late summer.

Dryland oat hay has begun harvest and quality is very good this year. The harvest is a month ahead of 2010 and it shows in softer texture and better green color.



Domestic demand is expected to be strong for a lower cost feed for horses and cattle. With high alfalfa prices retail customers will opt for oat hay.



Pacific Southwest - PSW

Wilmington Division Update

The end of April brought a very unusual mix of weather to the Western United States. The Northwest has seen a mix of rain and snow, with 100% snow-pack in most areas.

Flooding in May will certainly be an issue for many areas and cool wet weather has delayed some harvest and plantings

In the Southwest, the weather has changed to ideal hay production ranges. Warm days and cool evenings have assisted in increasing alfalfa yields over February and March by as much as 50% or more.

With increased yields and growing resistance from buyers, both export and domestic, there is a softening of pricing which is expected to continue into the late spring and early summer harvest.

U.S. dairy farmers now have the highest feed to revenue ratio in recorded history, along with very limited or bank controlled access to capital.

The majority of export buyers also are experiencing the results of inelastic demand.

Most traditional buyers cannot afford these dramatic inflations, just as much as farmers cannot afford dramatic deflation of pricing. Hopefully the hay industry will reach some measure of stability in the near future.

We will continue to reduce costs and add value, and develop our supply chain to better serve our customers, growers and partners.



Weather Update

The below is a weather forecast for the primary growing regions of the Western 11 states. Please visit the weather section at acxpacific.com for more information.

Date	PNW – Ellensburg Area				PMW – San Joaquin Valley				PSW – Imperial Valley			
	Cond	High	Low	Rain	Cond	High	Low	Rain	Cond	High	Low	Rain
May 4		21	5	0%		34	18	0%		38	17	0%
May 5		19	7	10%		36	19	0%		38	17	0%
May 6		17	6	10%		35	17	0%		39	18	0%
May 7		17	6	20%		32	16	0%		37	17	0%
May 8		16	4	30%		27	14	0%		32	17	0%
May 9		17	5	20%		25	13	20%		29	17	0%
May 10		17	6	0%		29	14	0%		32	17	0%
May 11		17	4	30%		30	14	0%		34	18	0%
May 12		19	7	20%		29	14	0%		35	17	0%
May 13		20	7	0%		29	14	0%		36	17	0%

LogistACX - Online Documentation

ACX is proud to introduce our online documentation and order status system called "LogistACX." Located at www.acxpacific.com, LogistACX is designed to provide you with a fast and secure way to see logistical information for all of your orders.

Simply login with your unique username and password, go to the "Customer" section, and click on "LogistACX." There you will see a listing of all your bookings with ACX over the past 90 days.

Click on a booking number, and you will see real-time information about your order including:

- Product
- Price
- Steamship Line
- Vessel
- ETD and ETA
- Container numbers
- Seal numbers
- Pictures of your product
- Other Information

Your comments and suggestions for the LogistACX system are always welcome. Please send your emails to gregdewitt@acxpacific.com.

As always, our goal at ACX is to create the best agribusiness possible that supplies the highest value of forage and roughage products and services worldwide.

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INTL IMPORT COMPANY			
1OUS540 Reference or LC #	2009-06-24 Booking Date	0001208888 Invoice Number	
2ND CUT PREMIUM DAIRY ALFALFA Product	US \$340.00 Price	ELLENSBURG, WA ACX Facility	
20 Containers Ordered	20 Containers Shipped	40HC Containers Type	
Shanghai Destination Port	COSCO Steamship Line	SHANGHAI EXPRESS Vessel Name	
2009-06-30 Cut-Off Date	2009-07-02 ETD	2009-08-30 ETA	
Document Package: 			
DFSU602789-3 Container Number	9406099 Seal Number	58 Number of Bales	57,920 / 26.27 MT Net Weight
			

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