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Summer Edition

# ACX ADVISOR

## Highlights:

- Some PNW farmers to take 4 alfalfa cuttings in 2011...
- SJV alfalfa 6th cutting started, 1st cutting Sudan finishing...
- PSW harvest conditions improving...

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## Pacific Northwest - PNW Ellensburg Division Update

Most Columbia Basin farmers are finishing third cutting alfalfa. However, about 40-50% decided to take only three cuttings in 2011 and have let the third cutting crop become mature before harvesting. These farmers are just now starting third cutting and this will be their last cutting for the year.

About 50-60% of Columbia Basin farmers have an opportunity to harvest four cuttings this year. These growers will begin cutting in the next 10 days and will finish cutting around the last week of September.

It is too early to predict the quality of this year's fourth cutting, but recent temperatures have been near 100 degrees and conditions have been good for growing with hot days and cool nights. Export quality will depend on harvest conditions between September 20 and October 1, 2011.

Demand for alfalfa continues to be strong from all buyers including domestic dairy, domestic feeder and export. Dairies are waiting anxiously for fourth cutting alfalfa as they would like to purchase higher testing hay from this cutting.

Exporters are hopeful the weather continues to be good and that farmers are able to harvest well cured and properly harvested fourth cutting. On-farm inventory is the lowest we have seen. Alfalfa buying has been strong all year and inventory has been bought and moved as it has been harvested all season.

Overall Alfalfa Quality in 2011 has been lower testing with higher ADF (over-mature). Supreme quality has been very limited. Premium quality is limited but available.

Grain and corn prices continue to be strong and farmers remain very interested in having these crops planted for 2012. New Fall alfalfa planting estimates are not available yet but we have not seen aggressive planting in the Columbia Basin.

Columbia Basin and Ellensburg farmers are currently harvesting 2nd cut Timothy. So far the quality is average with some brown leaf showing in most fields.

Overall Timothy quality has been some Premium and some #1 so far in 2011. Harvest will take another 2 weeks to complete. Demand for 2nd cut Timothy has been limited as buyers wait and see quality and quantity.

Ellensburg Sudan harvest is also underway. There are approximately 2,500 acres in the Kittitas Valley which could produce 8,000-11,000 tons of Sudan this season. Quality is typical PNW soft, but larger stems and mixed green with bleach color.



# Pacific Midwest - PMW

## *Stockton Division Update*

The SJV alfalfa market is picking up as we enter into the fall season. Growers can see a supply shortage going into winter and are holding out expecting high prices and quick movement.

Quality is improving as growers spray for grass and insects. Bloom is over in most fields as we start 6th cutting. Northern CA is starting 5th cutting and quality has some bleach but mostly good color.

Temperatures have been hot in August, well over 100 in the South and far North counties. Test hay has dropped to low numbers for dry stock. More Nevada and Utah hay stacks are coming into the Tulare dairies to get better production. Inventories are still low for export and domestic users, so most buyers feel the shortage will carry over into 2012.

Sudan this season is still slow going for the farmers and most farmers in the south and Northern CA are just finishing first cutting. Imperial Valley area is in 3rd cutting with most going domestic to feed lots.

Sudan yields are down from last year mostly because of cool weather and farmers attempting to make higher quality. The domestic market remains strong for dairies. Compared to the alfalfa price, Sudan has become a good value.

Northern CA area Sudan also has very good quality with fine stem and light color. Inventories are slowly going up but buyers are reluctant to overstock their barns. Sudan seed is expected to be higher in 2012 due to the fires in Texas. Many growers are still without water and the wild fires are still raging with over 125,000 acres burned.

Wheat straw harvest is over in the Central Valley. Rice straw will be starting soon in the Sacramento area as rice farmers start to dry their fields for harvest. Rice straw is expected to be popular due to the demand for lower cost feed.

## **Announcing ACX Stockton Division**

### *New ACX Port of Stockton and Port of Oakland Facility*

ACX is pleased to announce our newest hay export processing facility located at the Port of Stockton and near the Port of Oakland. The new facility will be operational beginning October 2011.

ACX Stockton will add value for our customers everywhere in the world with increased availability of high quality Pacific Midwest (PMW) forage and roughage and close proximity to major West Coast ports.

ACX Wasco will be merged with ACX Stockton thereby increasing all product lines and volumes of ACX TRUE-SWEET™ Sudan, Piper Sudan, and Dryland Oaten Hay from the San Joaquin Valley; Alfalfa and Timothy Hay from Northern California, Northern Nevada, and Southern Oregon; and Rice Straw from the Sacramento Valley.

ACX Stockton will follow the ACX F.A.N. Strategy as a Focused, Autonomous, and Niche business unit with the sales and operational leadership of Business Unit Leaders Manuel Magana and John E. Gombos with Regional Acquisition Managers Michael Clark and Rex Hartwick.

Michael Clark from ACX Wasco will acquire and increase the volumes of TRUE-SWEET Sudan, Piper Sudan, Dryland Oaten Hay, and Alfalfa from the Southern San Joaquin Valley. Rex Hartwick will acquire and increase the volumes of Premium Alfalfa and Timothy Hay from Northern California and Nevada.

ACX is now the first and only hay exporter with export operations at all three major West Coast ports. ACX has the exclusive ability to source all varieties of hay and straw products directly from farmers all over the Western U.S.

ACX is excited to supply our customers through ACX Stockton Division and we look forward to continue growing together. For three generations ~ for ages to come, ACX Stockton continues the ACX family tradition of sustainable supply chain logistics to support global animal feed industries.



# Pacific Southwest - PSW

## Wilmington Division Update

With the beginning of September, many farmers in the PSW have seen reduced yields and lower quality hay than expected. August, 2011 was one of the hottest months on record in some states, and the weather has taken a toll on Alfalfa and other grass production.

September is expected to improve for harvest conditions, and many hope for better yields. The domestic market is still purchasing, however many are somewhat skeptical given the US Class III Milk prices reducing for the coming months.

Hay inventory is still low; however, there is some availability of stock compared to previous months. Sudan harvest is coming to a close with a large variety of quality and price, mostly for export.



In the mountain states, Idaho and Utah, Alfalfa price remain steady and the 2nd cutting is finished with some growers beginning their 3rd cutting. Quality of second cutting is good with laboratory analysis average or slightly below.

Many domestic buyers remain less aggressive as they were on the 1st cutting, but their demand is expected to strengthen with the higher quality 3rd cutting.

Many buyers in the market are noticing larger quantities of hay available and/or selling to buyers that are able to deposit or advance funds. There is an underlying feeling of cash flow issues for many dairies and brokers. Farmers are tending to favor financially-strong buyers, even if slightly lower than market pricing.

Overall, importers in overseas markets continue to purchase in incremental volume. Many are still skeptical of a downside in this market, but weak US dollar has allowed for some confidence and advantage.

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## 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](http://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
9 Sep		37	12	0%		36	22	0%		39	25	0%
10 Sep		37	14	0%		36	20	30%		39	23	0%
11 Sep		37	16	0%		34	20	10%		39	23	0%
12 Sep		34	14	0%		33	20	0%		39	24	0%
13 Sep		32	13	0%		34	22	10%		39	24	10%
14 Sep		30	12	0%		35	22	0%		38	23	0%
15 Sep		27	11	0%		35	21	10%		38	23	0%
16 Sep		26	11	0%		34	20	0%		38	24	10%
17 Sep		27	9	0%		33	19	0%		39	24	0%
18 Sep		24	9	0%		34	19	0%		39	23	0%

# LogistACX - Online Documentation

ACX is proud to introduce our online documentation and order status system called "LogistACX." Located at [www.acxpacific.com](http://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](mailto: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.

Login today and experience the convenience of ACX LogistACX.

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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