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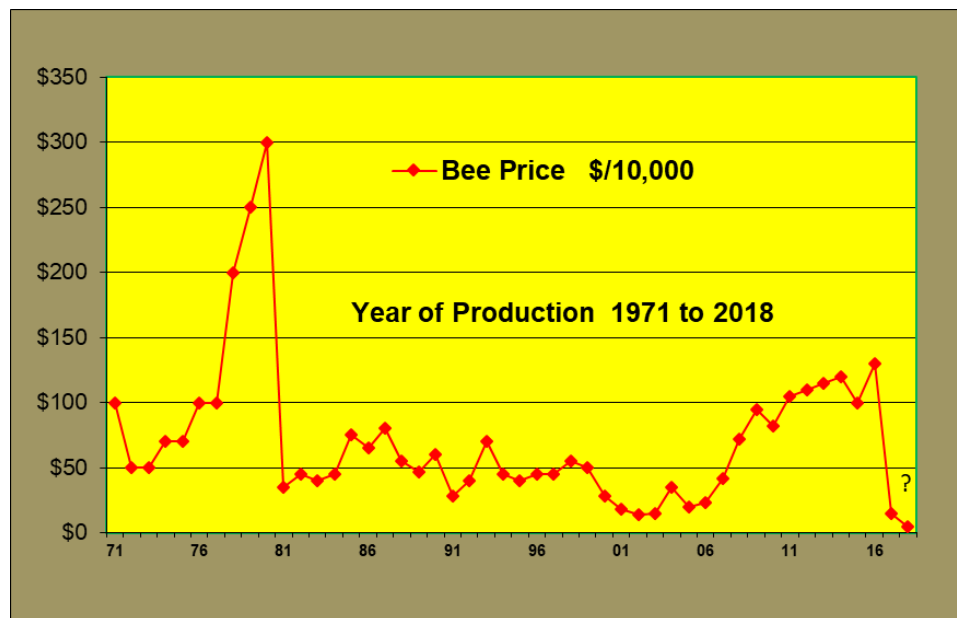
## Fall Newsletter 2018

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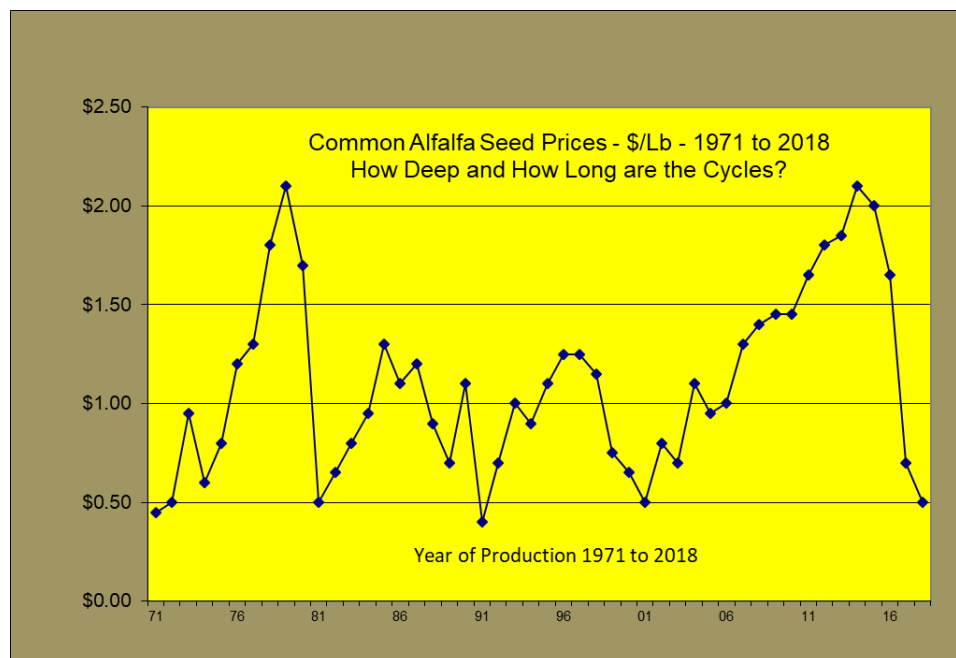
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### **MOMMA SAID: IF YOU CAN'T SAY ANYTHING NICE, DON'T SAY ANYTHING AT ALL.**



### **BUT A PICTURE IS WORTH 1,000 WORDS**



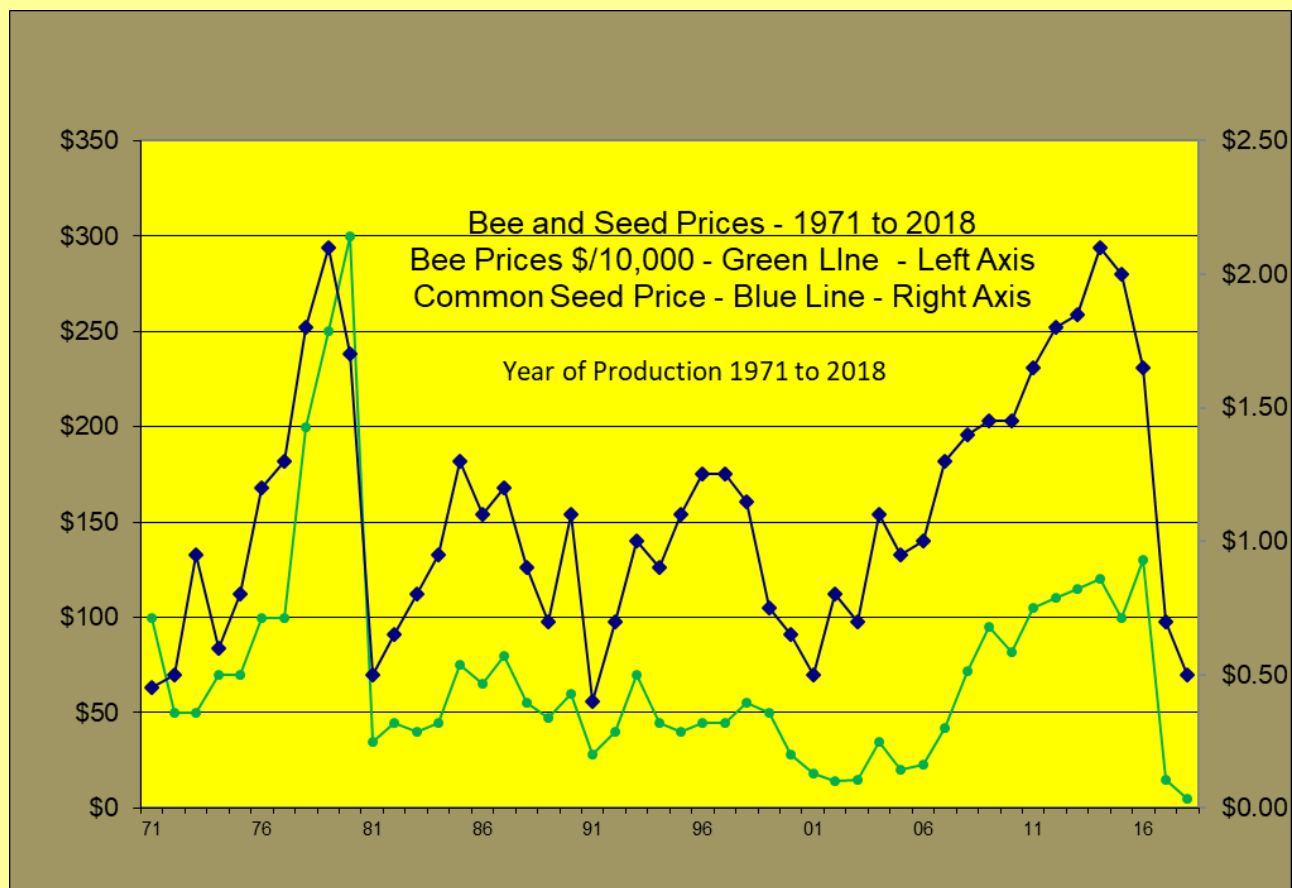
# CAN WE LEARN FROM THE PAST?

## THE BEST CURE FOR HIGH PRICES IS MORE HIGH PRICES:

The last few newsletters have been predicting this market collapse and now we are here. History has a way of repeating itself, and that is true in the alfalfa seed and leafcutter bee markets. Murray dusted off the records in the basement and charted the price of both common alfalfa seed and leafcutter bees from 1971 to 2018, some 48 years. The prices shown are actual prices at the time. Much has changed in that time, but the cycles remain. Typically poor crops, and potential sales opportunities result in higher prices. Slowly the higher prices result in more and more acres planted to alfalfa seed. These acres need leafcutter bees so demand for more bees means higher prices. These higher prices attract people into focusing on growing leafcutter bees increasing supply. This bee production uses bees and drives bee demand higher, increasing bee prices. Suddenly too many alfalfa seed acres all have a good crop, and there is too much alfalfa seed. Alfalfa acres get worked out, and suddenly growers who were buying bees are now selling bees. And prices collapse.

Over 90% of alfalfa seed is eventually planted for forage production. Only a small amount is used for sprouting and human consumption. Fortunately seed can be stored for a number of years and maintain germination.

Leafcutter Bees cannot be stored for more than 12 months. The larva lose viability and eventually die. Bees must be sold, incubated and flown, or fed to the dog.



## HOW LONG WILL IT LAST THIS TIME?

Big crops in 1981 and 1991 were followed by poor production years, which helped the recovery. It looks like the big crop of 2017 will be followed by another good crop in 2018 adding to the problem. So it is difficult to predict a quick recovery. Leafcutter bees were in the \$50 range for a period of 25 years last time. The \$100 bees lasted for 8 years, partly because the memories of the past were still very real for experienced seed growers. But new growers, and new bankers, thought these prices were here to stay and created additional leafcutter bee demand. Now the entire industry pays the price for over production.

The seed market is a bit different, but the seed needs to be planted and removed from the market to help. The inventories held by farmers and seed companies will weigh on prices until that seed is consumed. That will take time, and if production continues then prices will not increase. Contract production of alfalfa seed will continue to be cut back in 2019. It would be reasonable to suggest that we might not see many new contract production acres planted until 2020 at the earliest. Bees would be needed in 2021. Then the gradual rebuild will begin again. And this depends on continued alfalfa hay production.

# WHAT CAN I DO NOW?

## KEEP YOUR ALFALFA SEED IN YOUR BIN:

We have kept alfalfa seed for 5 years without any loss in germination. Yellow, plump seed, below 12% moisture, will keep in the bin if it is cool and dry. We would turn the bin once a year and send a representative sample to a seed testing lab for a germination test. When you look at the price charts, we are at record low prices in 2018 dollars. Better prices will only come when the surplus gets planted, and the supply dries up. That will take time, less acres in production, and poor crops. To keep your crop at home requires bin space, money tied up, and lots of nerve. But we have done this a number of times over the past 50 years and made money every time.



## WORK OUT AS MUCH ALFALFA YOU CAN:

Fields that have weed or clover issues need to go. Quality sells. The market for seed with purity problems will be either non-existent or very low priced. So get rid of those fields. Older fields that have poorer yields are good candidates to work out. Keep the good producing contract fields as long as you can. It keeps you in the bee business for an eventual recovery. Good hay prices encouraged some growers to turn alfalfa seed fields to hay fields this year.

Traditional alfalfa yields of 100 lbs to 250 lbs per acre won't pay the bills any more. It is a good time to grow other crops on that alfalfa ground. This year we grew 47 bu/acre of canola on alfalfa breaking with 9" of rain and a hot, dry July and August. That is much better money than alfalfa seed that we can't sell. Can you continue to grow alfalfa seed and leafcutter bees if you have to give them away?



## WHAT IF I CAN'T SELL MY LEAFCUTTER BEES:

This is a much bigger problem than the alfalfa seed. Leafcutter bees are perishable. You can't keep them. Someone has to incubate and fly them or the larva will not hatch after a 2nd winter. When the price for Saskatchewan bees gets under \$20, the poorer quality leafcutter bee populations get destroyed and replaced with better quality bees from here. Lots of Saskatchewan bees move to Alberta canola, USA alfalfa fields, and the blueberry pollinator market. If the bee price gets to "Can't sell them at any price", what do I do?



First, put more bees out on your existing acres. It is possible (and has been done) to put 5 or 6 gallons on each acre of alfalfa. Bee return suffers a bit, but they aren't worth very much anyway. You may grow more seed on each acre, which reduces your seed cost per acre. If you increase the bees per tray, remember the vaponas may not penetrate as well, and the bees will generate more heat as they hatch. The AC unit needs to work and you need to monitor the temperature in the middle of the tray. You may need to take the bees to the field with a lower % hatch than usual. And finally, destroy your "worst" lots. These are the ones with low live counts, high parasites, or lots of pollen. We did this to a high parasite lot last year.



## DIRT MOUNDS - POCKET GOPHERS AND/OR MOLES A LOW COST AND EFFECTIVE SOLUTION

Pocket Gopher Mounds, more commonly known as mole hills, have been a major problem in alfalfa seed and hay fields since this country was settled. In this climate, the pocket gophers only have one batch of young each year. We see a bit of digging in the spring, then all goes quiet until the mommas throw the young out in September and October. If the ground is moist, this new population goes into major construction mode. They build bungalows, condos, and high rises, and the dirt mounds can get a foot high. If the alfalfa seed harvest gets delayed, we end up trying to cut a crop fairly low, and these dirt mounds end up in the combine.

Most people have relied on leveling the fields in spring, and hoping to make the best of it at harvest. A better plan is to eliminate the pocket gophers (moles). Both trapping and hand placed phostoxin tablets were effective, but simply too labor intensive. We developed a machine to place phostoxin tablets in an artificial tunnel. It took quite a while to make this effective and bullet proof, but we finally got there. A number of these machines have been built and sold to other alfalfa seed growers, including growers in the USA.

For a few dollars per acre, the Gopher General has eliminated pocket gophers on our farm, safely and without any hand labor. We still have a few of these machines available for delivery this fall. Call Murray or



**Visit: [www.gophergeneral.com](http://www.gophergeneral.com)**

When You're Fighting An Army, You Need The General





# ODDS AND ENDS

## WINTERKILL:

Some alfalfa fields grew slow and patchy this spring with lots of areas with no plants at all. Some of these fields had been treated with Velpar, so immediate re-cropping to an annual crop wasn't a real good option. An open winter with little snow cover, combined with very warm and very cold temperatures can lead to significant winterkill. Some varieties are more susceptible than others, and older stands are also more susceptible than 1st or 2nd year stands. Some of the winter kill could be blamed on cutting the alfalfa too short. As our fields are rolling and open, maintaining adequate stubble for snow retention



Alfalfa Winterkill May 23, 2018



is important to us. This means cutting the stubble higher and using crop lifters to bring the seed up off the ground. We are using a flex header designed to cut soybeans on the

ground. That meant we have to make skid shoes to keep that header knife about 5" off the ground.

**CSGA CROP INSPECTION:** The CSGA Crop Inspectors are being more thorough, looking for volunteer alfalfa in border areas, and flower colors for variety purity. This may require keeping fields out of production for more years than CSGA regulations require to eliminate volunteers from a prior crop.

**INDUSTRY CONSOLIDATION:** We have seen a lot of consolidation in the alfalfa seed industry. Pickseed is now owned by DLF. Ag Vision was purchased by Crop Production Services. Alforex Seeds came from Dairyland Seed and Cal/West. S & W Seeds purchased Pioneer Seed's alfalfa business along with seed production capabilities in Australia. This consolidation continues to narrow the number of buyers and contracts for your alfalfa seed. No matter how good the price or the deal, make sure you get paid.

**CROP INSURANCE:** This is production insurance, not price insurance. If your yields are above the minimum, then the crop insurance price doesn't help you with low prices.

**SIGNED DECLARATIONS:** When you deliver Certified seed or Variety Not Stated (VNS) seed with traits such as creeping rooted or multi-foliolate, we have you sign a grower declaration as to the seed you are delivering. Our customers actually grow out your seed to ensure it is the variety, and has the traits, that you declared. If there is any issue, that will come back to you.

**GMO ALFALFA:** At some time in the future, the ability to grow non-GMO alfalfa may become valuable. Much of the traditional alfalfa production areas now have a trace of GMO alfalfa in their production.

## ESTIMATED ALFALFA PRODUCTION ACRES - THIS IS OUR BEST GUESS:

AREA OF PRODUCTION	2017 ACRES	2018 ACRES	2019 ACRES	YIELDS
USA including non-dormant	65,000	45,000	30,000	1,000 LBS/A+
Alberta—80% goes to the USA	50,000	40,000	25,000	500 LBS/A
Sask - Manitoba	70,000	55,000	35,000	200 LBS/A

The Saskatchewan - Manitoba acres are about 70% open market seed, but long term average yields are pretty low compared to other production areas. As 90% of USA and Alberta seed

**CHECK OUT OUR WEBSITE  
WWW.PASKFARMS.COM**

**ALL PREVIOUS GROWER NEWSLETTERS ARE NOW ON OUR WEBSITE IN THE GROWER SECTION**



## **SEND US YOUR ALFALFA SEED SAMPLES**

We need samples and weight estimates on all the contract production you have for us. If you have common alfalfa seed, or other VNS alfalfa seed, we'd like a shot at buying that. Our common price ended at \$.70 / lb last year. Depending on the crop:

**\$0.70 per pound as new sales develop**

It's our intention to buy our share of this crop, but there needs to be a market. Please send us a **1 kg sample** of both your open market seed, and the seed that is under contract to us. We will do a detailed dockage test and give you a dockage and price quote on open market seed.

***Good Luck With Harvest and Safe Farming !!***

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