

## Marketing Options for Quality Kentucky Alfalfa Hay

Tom Keene, Sales Director  
Creech, Inc.  
Lexington, KY

As today's farmer becomes more and more business like, running his farming operation as a commercial business, the production of alfalfa hay should be treated no differently. When the farmer makes the decision to plant alfalfa, he should have already done a great deal of research and given a great deal of thought into the markets he is going to try to target for his product. Any successful commercial business looks into market potential even before production begins, whether they produce toys, cars, appliances, computers, etc.. Alfalfa hay production should be no different in regards to seeking out various markets and knowing those markets prior to planting.

As soon as that alfalfa seed is placed in the soil, the farmer has no choice but to market that hay. There are many and various ways to market this product. The first way most farmers market their hay is through their own livestock program. You can graze it, you can make silage out of it, you can put it in square bales or round bales. Any way that you use the product, you are marketing that hay to yourself. If you do in fact market that product to yourself, it is very important that you keep very accurate and detailed records as to what the actual market price of this hay is to your farming operation. The reason it is so important to know the cost of your own hay is so that you can better determine A. if it is profitable to your operation, or B. whether you should sell that hay and purchase a different hay that is better suited to your situation.

If you as a farmer make the decision to enter the commercial hay market, then make sure that you have done your research and homework as to what markets you are going to try to target. Traditionally, when farmers have decided to enter the commercial hay markets they have primarily targeted two markets, dairy and horses, to sell their hay to. These two markets today still comprise the majority of commercial hay sales throughout the country. However, there are several other alternative markets that are buying hay and we will discuss those in just a moment.

The dairy industry today is going through some dramatic changes. Dairies are increasing in size at a dramatic rate and that has created wholesale changes in the industry. One of the main changes is that most operations are getting away from producing their own feedstuffs and are purchasing them in bulk. This has also allowed them more time to concentrate on herd health, genetics, parlor maintenance, etc.. Along with growth in herd size, dairies have also gone to purchasing hay in large bale sizes (2\*3\*8, 4\*4\*8, 3\*3\*8) as this eliminates a lot of hand labor in unloading tractor-trailer loads of hay. Regardless of the package, quality remains the ultimate criteria for selling that dairy. Most dairy hay is sold with R.F.V. as the measuring stick as to the price of hay. In most but not all cases, the higher the R.F.V., the higher the price of the hay.

The horse industry, like the dairy industry, is going through some major changes. Thoroughbred horse numbers have dropped by thirty percent over the last ten years. That is a significant drop in numbers. Not only have the numbers dropped, but the increasing

pressure of legalized gambling throughout the country is having a dramatic impact upon that industry. However, they still need to feed those animals. Unlike feeding dairy cows, when horse people feed horses, they are usually not looking for maximum pounds of gain per day or maximum pounds of milk production per day but in most cases they are looking for animal maintenance only. Because of this, when you sell a horse person hay, you are selling the person and not the animal. Horse people evaluate hay on looks first, color second, smell third, foreign matter fourth, and price fifth.

Most people are not aware of it, but the feedlots in the midwest use large amounts of alfalfa hay. They utilize the lower quality hay that is produced in that area. Are there any feedlots in your area? There are tremendous amounts of big bales ( round & square ) that are ground daily and sent to these feedlots. One such feedlot I visited just recently used 50,000 pounds of ground hay per day.

Another animal enterprise that feeds alfalfa hay is the sheep industry. I know that sheep numbers are not what they were thirty years ago but they love to feed high quality alfalfa hay when it is feasible. Granted there is not a lot of hay that is sold commercially to sheep operations but there is some.

Goats? Some people within the American Dairy Goat Association use alfalfa hay as a feed source. They like the fourth cutting clippings as the goats will strip the leaves off of the stems and leave them on the earlier cuttings.

Have you ever been to the zoo and seen some of the animals eating hay? Although grass hays usually constitute most of the hay that they purchase, they do buy alfalfa as a protein and fiber source.

Exotic animals are growing in numbers beyond belief. Whether for pets, hides, meat, feathers, etc., llamas, emus and ostriches are becoming more and more popular. These animals can be a substantial market for someone who is willing to cater to these newer markets.

Pet Stores? Almost all pet stores sell alfalfa hay. It is usually packaged in some form that we don't see on a regular basis, but it is alfalfa nonetheless. Animals such as rabbits, hamsters, gerbils, etc., are fed alfalfa as a staple in their diet.

Mulch Hay? In the west, big bales are sometimes used as snow fence and wind breaks. They are also used for bow and arrow target backgrounds.

Research is now going on as to the use of alfalfa as a fuel source.

Use of alfalfa as a source of lignin for building materials. Is it possible?

In closing, I hope that I have been able to stimulate some thought on your part today as to the possibilities of marketing high-quality, Kentucky-produced alfalfa hay. I truly believe that the only limitation that we have in the forage industry is the limit that we impose on ourselves. The Sky Is The Limit!!! And finally, in all of your dealings in marketing hay, the most important thing that you can do in selling your hay is: be honest, be honest, be honest.