Emerging Export Markets for High Quality Alfalfa Hay

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The exporting of hay from country to country has been evolving for many years. When we look at today’s exports of American hay, we see that the majority of it takes place off the west coast.

This has developed over many years for a couple of major reasons. First, during the late 1950’s and early 1960’s technology advances such as TV’s, transistor radios and newer and more modern versions of the telephone, created a large market for those electronic products. As the market for those began to emerge and grow rapidly, Pacific Rim countries such as Japan, Korea and others began to gain a large part of that market share.

These countries would ship sea container after sea container to the west coast of the United States where the products would be offloaded and placed on rail cars or trucks to be distributed throughout the United States. So, the question arose, “what can we fill the containers with so that we don’t have to ship them back to the Pacific Rim empty?”

Secondly, at that time, a large part of the hay being produced and consumed in the country was from the Mississippi River “east”. Population centers such as New York, Chicago, Miami and others had populations that consumed large amounts of milk and meat as well as enjoying an occasional trip to the racetrack. Therefore, that hay that was being produced in the west really didn’t have a large opportunity to be shipped back “east”.

Of course, other things had to fall into place as well but those are two of the main reasons the bulk of US hay is shipped off the west coast today.

When we talk about exporting hay, we are talking about a “Big Market”. As you can see from Figure 1. in 2016 US hay exports were right at 4 million metric tons.
Figure 2 enforces the reality that most all export hay moves off the west coast with the primary ports being Los Angeles and Seattle.
Figure 3 displays the changing dynamics of a market that has shifted dramatically over the last 10 years.

![Chart: Share of US Hay Exports by Destination](image)

If you are moving hay off your farm for others to utilize, then you are exporting hay off your farm. You may only move your hay to your neighbor or to someone in the next county or you may be moving it overseas, either way you are a Hay Exporter.

If Kentucky farmers wish to explore the export market, the first thing that needs to be done is to consider the current pricing of hay located around the county. The price of quality hay can vary as much as $100 per ton to in some cases over $200 a ton difference depending on location and quality.

How do prices in Kentucky or neighboring states compare to prices in Kentucky? Many other quality factors have to be considered in this discussion, however one the main points here is to look at the difference in mileage to seaports from Kentucky versus have that is moved out west.

When hay producers in the east produce hay for export, the nutritional value of the hay may be equal to hay produced in the west. However, the color and presentation of the western hay will be markedly different.

When exporting hay overseas, different customers require different types of packaging. One customer may want either a regular two-string or three-sting bale of hay. Another may want those type of bales compressed. Still others may want hay that
has been processed or ground to fit in a particular dairy ration. Many other types of hay packages are going overseas as well right now.

Loading sea containers presents its own set of issues. Initially, you have to get it (or them) placed on your farm. They then have to be mechanically loaded to facilitate the same on the other end. It imperative that we can load the maximum allowable weight on the containers to reduce our shipping cost as much as possible. Once the containers are loaded then they have to be picked up and then moved via truck, rail or barge to a seaport to be load on a sea going vessels that calls on the ports where the hay is needed.

The required paperwork required to move these containers internationally is burdensome at best and are so numerous that it defies listing all of them here. The bottom line is that you must meet all the paper requirements required by the United States as well as the country of delivery. You can be assured that the paperwork is always different for each country you ship to.

Problems on arrival can be numerous and varied as well. Incorrect paperwork is one thing that can stop a shipment “dead” in its tracks upon arrival in the destination country. Conversations about the hay” not being what I ordered” have been known to happen as well. Sometimes cultural differences as well as language barriers can mire the delivery process. Damaged hay inside the container or actual damage to the container itself can also be a problem.

While exporting hay may be a potential opportunity for Kentucky farmers, diligence to dotting every “i” and crossing every “t” is an absolute must. Furthermore, in most cases when the numbers are crunched and the possible issues that can arise some seven thousand miles away, when hay is delivered, some may have wished that they would have concentrated on local markets rather than some that far away.

• * Figures from U.S. Department of Commerce