

HAY - THE NATIONAL AND INTERNATIONAL TRAVELER

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Prior to 1883, packing, shipping and hauling hay was an irregular business. There was no established custom to govern, and every transaction was typical of the parties engaged in it.

The hay crop had become the leading agricultural product in value, and its importance commercially was appreciated. The amount of hay leaving the farm had steadily increased, but trade environment did not offer much encouragement for businessmen of regular methods, or the capitalist to embark in the business, and it was apparent to every thinking person that for the proper development of so important an industry it was necessary in the interest of the producer as well as all others dependent upon it that there should be a strict application of regular business methods in order to counteract many of the handicaps on the business and to control those who needed control.

There were some men in the hay business who held this view. Willis Bullock, of Canajoharie, New York published the HAY TRADE JOURNAL. Through its columns he repeatedly urged reforms and made suggestions for the improvement of trade conditions. He felt the responsibility to put some of the reforms he had continuously and earnestly advocated to use.

Early in 1893 he invited a number of hay dealers residing in the state of New York to meet at Syracuse. He later included a few dealers from other states to join them. Fifty hay dealers attended. The reason for the meeting was intended to cultivate a more friendly feeling and to discuss matters pertaining to the hay trade. Interest was added by the exhibition of bales of hay furnished by the shippers in attendance. The bales were opened and all present were given an opportunity to express their opinion regarding the quality. The immediate result was clearly demonstrated that there was a wide difference of opinion - mainly because there had been no opportunity for conference. This made it apparent some form of organization was necessary. Semi-annual meetings were held at Syracuse.

That Association soon became generally known because of its beneficial influence. Willis Bullock, who had done so much to bring these representatives of the hay trade together was convinced of the necessity for a national association. He visited many cities in order to obtain the views of hay dealers in regard to the formation of a larger and stronger organization. He issued a circular calling a meeting late in 1894. The time

of the meeting was not convenient so it was postponed until January 22, 1895. A representative body of hay dealers attended, and there was formed The National Hay Association, national in scope as in name.

The second meeting was held the following year in Cincinnati. By-Laws were adopted and arrangements were made to secure a charter. A committee was appointed to settle any differences between members of the Association. This was the foundation of the Arbitration Committee, which has become one of the Association's most valuable committees.

The quiet, steady progress of NHA and its position of influence in the business world is unique. No other organization has taken a greater active interest in the important business problems of its day or brought together more successfully a widely distributed membership. Regardless of natural local prejudices, The National Hay Association harmonized its members into a strong, aggressive body, capable of securing for all its members legitimate advantages, which individuals could not singularly achieve. Its uniform membership which prevents sectional advantages or class domination is one of its elements of strength and give it a breath of purpose.

After years of activity and increase, the causes which inspired that small meeting in Syracuse, New York in 1893, are the reasons for the existence of The National Hay Association. The principles which actuated those who led the way, although since widely applied, have remained unchanged.

Recognizing the commercial basis of modern business relations between its members, The National Hay Association strives to elevate in every position in business life, recommend fair dealings, honest methods, and high ideals. Membership in The National Hay Association is a privilege and an opportunity to assist in raising the standard of the hay business.

Hay - the national and international traveler - is many times a forgotten product, most often thought of as one that is grown on the farm and fed on the same farm.

The hay industry has grown and continues to grow. There is more interest in this industry each year. There are more hay meetings across the United States who have interest directly or indirectly, concerns and enthusiasm for its future.

Back in 1895 there were concerns about the future of growing and marketing hay. The concerns then were quality controls, trade promotion, market development, transportation and uniformity of trade practices in the hay industry.

Certainly there have been many changes in the country since that time and most certainly in the hay industry.

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Today, hay in the form of cubes, pellets and bales of many sizes is moving farther from the farm it was grown on than ever imagined. Baled hay is moving in volume from the northeastern states to the southeast. Midwestern growers are shipping alfalfa and timothy hay to all eastern states. Baled hay from central Washington state travels as far away as Miami, Florida as well as alfalfa from Wyoming and Idaho.

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Yes, hay is now traveling around the world. I do not have late figures on de-hy products, but export sales of alfalfa suncured meal and pellets, alfalfa hay cubes, and baled hay and straw was approximately \$86 million dollars in fiscal year 1980-81. (USDA-August 1980-July 1981 report)

This represents sales of the following:

Alfalfa hay cubes	344,493 metric tons
Suncured meal and pellets	154,411 metric tons
Baled hay and straw	168,153 metric tons
Total	667,057 metric tons

Sales from August 1981 through November 1981 had already reached approximately 229,000 metric tons.

The countries buying U.S.A. hay products are: Canada, Mexico, Bahamas, Netherlands Antilles, United Kingdom, Netherlands, Saudi Arabia, Philippines, Republic of Korea, Hong Kong, Japan, Venezuela, Germany, Panama, and Bermuda.

Japan is still the larger buyer. In fiscal year 1980-81 they purchased 456,178 metric tons, with a value in excess of \$56 million dollars.

Increased interest and demand is growing in many other countries. Several NHA members are shipping baled timothy, mixed hay and alfalfa to England from the east coast and west coast. This market was developed through the NHA Export Committee. This committee was formed 2½ years ago to promote new export markets and further develop present markets.

In the past year the committee attended the Verona International Agricultural and Livestock Farm in Italy and the Mexico National Livestock Show in Mexico. U.S.A. hay products were displayed and brochures handed out. There was a very strong interest and sales were made.

The committee has a co-operator agreement with the USDA Foreign Agricultural Service and works closely with the USDA Agricultural Counselors in foreign offices.

A new color brochure was recently produced and has been circulated throughout the world in Italian, Spanish, and Japanese languages.

I wish to point out that the USDA Foreign Agricultural staff in Washington, D.C. and the foreign posts have been excellent to work with in helping us get this program off the ground.

Markets that look very promising in the near future are Mexico, Korea, and Taiwan.

This all sounds exciting, but now let's talk about the problems. The three that most often come to mind are: Trade Barriers, Transportation, and Quality.

TRADE BARRIERS in foreign countries can be a problem, but working as an organization with our government you can find foreign governments to be most cooperative. Three years ago, a \$4 million dollar market for timothy and grass hay was reopened in Japan by the determination of a few NHA members, USDA Research staff, Foreign Agricultural Service and USDA Animal Plant Health Inspection Service representatives working with Japan Plant Quarantine.

In brief, Japan has a regulation prohibiting any commodity or product coming into the country with evidence of a piece of straw, head of grain or some grasses for fear of it being the carrier of the Hessian fly. Through successful negotiations and tests, an acceptable fumigation program was developed. Ron Anderson, past NHA president, headed this effort and is now chairman of our Export Committee.

There are and will be more barriers, but through group effort in the industry, they can be solved.

TRANSPORTATION: Since many do not realize hay is shipped across the country and around the world, little consideration has been given to rail rates for baled hay and cubed hay. Hay has absorbed 100% of all freight increases. As an example, hay being shipped from all western states to eastern states is restricted with an 80,000 pound minimum and a rate of approximately \$121.00 per ton freight rate.

A large volume is moving to the east by truck at rates that range from \$70.00 to \$125.00 per ton. These rates are still very high and could be lower if uniform regulations can be developed.

In the western states, they allow double trailer units with higher tonnage. Most of the U.S. has a weight limit of 20,000 pounds on their drive axles. In the states of Indiana, Illinois, Missouri, Alabama, Tennessee, and Mississippi, the weight limit is 18,000 pounds on their drive axles.

This represents a loss of revenue for these trucks crossing the country. This also increases the freight charges per load on shipments from the west to the east. Transportation costs are increasing because our states are not uniform in their weight limits and total lengths.

Rates for shipping hay west and some areas in the east are not even established. No established rates is often the case in trying to develop export markets.

West coast shippers have been most successful in establishing rates, however, and found ocean carriers most co-operative.

The NHA Export Committee has studied and made some gains in this area. However, a lot more work needs to be done. It will only be successful with joint effort from all segments of the hay industry.

QUALITY: Whether it be cubed, baled or pelleted, hay has to arrive at the market place (the end user) at a competitive price with other types of feed and roughage. It has to look bright in appearance, free from dust, mold, must, or weather damage. If it doesn't live up to these standards, it will not become a cash item. Hay production is being encouraged all across the country. It is becoming more competitive each year. All across the United States we have the land and the weather to produce the best, but we too often quit the job as soon as it is baled.

As you travel across the country, you often see hay thrown into about every kind of a stack and location imaginable. No thought to cover from the weather. You cannot build markets for hay that arrives at the marketplace weather stained, spotted, white mold steaming, brown centers, caked bales, loose bales, hot cubes or moldy smelling pellets.

A lot of hay moved to drought areas in the east last winter and the demand is there now, but when you load this outside stored hay into a box car or a van, add \$60.00 to \$100.00 per ton freight onto the price and ship to some dairyman or horseman in a drought stricken or snowbound area east of the Mississippi, you have blown any market potential for that hay within several hundred miles of that man's place. The same is equally true with export. It's happening every day.

The end user could care less what it tests, how much the cow will milk or how fast you say the horse will run if that bale of hay isn't bright and free from weather damage. So let's start being concerned with delivering quality all the way to that buyer. Let's go a step further and cover the hay after we have gone to all the work and expense to get it in the bale.

When you are producing the hay, make certain that the bales are baled tight and have some weight. We must get the message across that we must have a nice package that will handle well and transport at a reasonable price. A light bale will cost twice that of a heavy bale to transport. This also gives the impression to the end user that the producers took care in producing this product.

Our National Hay Association members can see a growing market for hay. World markets are becoming more available and demands will grow. And across the United States many buyers are in need of a quality product and at an affordable price.

Growers need markets for their hay and at a reasonable profit.

I feel we in the industry must work together in the same direction and all segments will benefit from the combined efforts.