ALFALFA AS A CASH HAY CROP

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Over the years we have all learned of the great potential alfalfa has as a forage crop in Kentucky. We have seen it used as hay, haylage and even pasture. Many aspects of our agri-business community have alfalfa as an important part of their business.

The horse industry needs high quality alfalfa year round. The dairy industry uses alfalfa in the form of hay, haylage and pasture. Even the beef industry uses alfalfa to some degree. There are also many other specialty markets for alfalfa.

Over the past 20 years we have tried to produce the highest quality alfalfa possible in Kentucky and put it in a package that not only maintains it’s quality, but also allows us to market it at the highest return. Over this time span, we have concentrated only in forage production with alfalfa not only being our main crop, but our main income crop as well.

I believe whatever success we have enjoyed can be attributed to these principles:

1. **Know your product**
2. **Know your market**
3. **Know your customer**

Let’s discuss each of these in detail.

1. **Know your product** – Basically, what we are saying here is you have to know the quality of the alfalfa you have for sale. The underlying thought is the higher the quality, the better opportunity you have for making money. The quality of your hay is dependent on two things - the production cycle (planting, growing, cutting, tedding, raking, baling, and moving it to a storage facility), and, of course, luck with the weather. We also have a very important asset here in Kentucky, that is our hay testing program administered by the Department of Agriculture. It lets us know exactly what we have to sell so we put the right quality hay where it needs to be. That, in turn, gives us our greatest income return on our product.
2. **Know your market** -- There is a lot more to this than you might think. We look at our market as three groups. The first is the horse market. This market has a demand for clean, mold-free, good color alfalfa or alfalfa-grass mix with a consistent supply. The second is the dairy market. This market has a demand for clean, mold-free, high protein, high RFV alfalfa that also maintains a sufficient supply. These hays are not necessarily interchangeable. What might be excellent hay for feeding horses may not be the right choice for dairy cattle or the other way around. The third group is the beef market. The beef producers usually do not look to alfalfa hay, but instead use a less expensive forage as their main ration. The beef market does allow you to get some return on your alfalfa. Hay that does not meet horse or dairy standards will often work well for beef cattle. However, selling most of your alfalfa hay for beef cattle consumption would not be profitable long-term.

Along with knowing what each of these markets require as far as quality, you need to know the total supply and demand that exists. This will enable you to set a realistic price that will allow your greatest return.

3. **Know your customer** -- Is your customer the animal that eats your hay, or the human that pays you? In reality, it's both. You have to know and understand what the animals you are feeding want, so they will aggressively consume your product. In the case of the dairy cow, not only do you want her to consume your product, but you have her milk production to consider also. And finally, to receive the fruit of your labor, you have to satisfy the person who writes the check. This too is not as easy as it sounds. We don’t have the time or space to tell all the stories I have encountered over the last 20 years. The main thought I want to convey, so you can avoid any misunderstanding, is to know your hay and describe it accurately. Then always deliver what you describe.

Last, but not least, in order to be successful in selling alfalfa hay as a cash crop there are two other things you need that other hay producers don’t need. Storage and transportation. Hopefully, during our presentation, we can expound on some of the above mentioned areas.