

ACX

advisor

for three generations ~ for ages to come



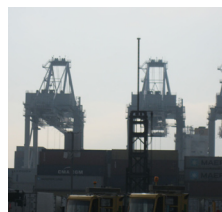
Autumn Edition



Ellensburg Division - PNW

Autumn is upon the Columbia basin. Recent steady rains and cool weather has ended all hay harvesting operations for 2012.

Inventory is stored and protected awaiting export shipment for the remainder of 2012 and into 2013. Now is the time to start planning your winter shipments. Remember, the winter weather is right ahead of us and we ask all of our customers to plan ahead so schedules may be maintained and made on time.



Currently, the ACX Ellensburg production schedule is full 3 weeks before departure; therefore, it is important to pre-plan your shipments. Winter conditions do not allow for last minute additions or changes to bookings but we will always work with you to deliver the best schedule possible. Please plan ahead!

Port congestion and road construction have been recent challenges in the PNW ports. Trucking two loads per day from plant to port has been difficult. ACX Ellensburg has worked hard to bring on additional trucks and we work closely with all parties to avoid schedule interruptions.

Growers are finishing fall field work at this time. Most hay growers in the Columbia Basin are reporting mostly sold-out of hay stocks from 2012 crop. However, not all hay stocks are sold yet and dairy buyers continue to purchase mostly on an "as-needed" basis.

Highlights

PNW harvest operations have ended...

PMW Sudangrass season almost over...

PSW recent good weather in all areas...

Ellensburg Division - PNW

The autumn conversations from farmers in the Columbia Basin have mostly centered on alfalfa acres staying about the same and a potential increase in Timothy acres in 2013. It is too early to predict the final outcome.



Stockton Division - PMW

In the San Joaquin Valley (SJV), temperatures have been in the high 80's with lows in the high 50's. Some rain showers are expected this week, but harvesting will continue on schedule.

Alfalfa for domestic dairy quality is good but yields are down. Dairy buyers are steady but money is still tight and prices are mixed. Dairies are not filling their barns due to higher prices and excess inventory in Nevada. More dairies are expected to file bankruptcy after the New Year.

In the central valley, some fields are heavy to grass after a long summer. These fields need to be taken out. Even so, 2013 acreage is expected to remain the same or increase slightly. Alfalfa seed is still bringing high prices and Round-Up Ready (GMO) is still very popular going into 2013.

The Sudangrass season is almost over with only a few stacks still being harvested with higher moisture. Rains in the Northern CA areas hit last week around the Sacramento Delta, but not the heavy amount of rain typical for the area.

Growers and exporters are scrambling to get stacks covered or moved into barns before the next storm which is expected Thursday. Overall yields were good thanks to the TRUESWEET™ Sudan planted around the ACX Stockton area. Several growers managed over 6 tons in two cuttings.

Growers are trying to avoid domestic markets due to lower prices. Corn silage is finished in most areas. Rice straw took some rain last week but harvesting has continued this week. Sudan for export is still in demand in the Imperial Valley.

The main story in Nevada is the continued warm, mostly dry weather. The long dry condition allowed farmers to complete a good 4th cutting in most of Nevada; quality and tonnage have been very good.

Large wild-fires in Nevada are forcing many livestock producers to buy hay or move livestock. Many are trying to move and rent pasture or sell and reduce numbers. This should further reduce price pressure on none test hay.

Wilmington Division - PSW

Wilmington Plant Production is running at full capacity. Some earlier machine maintenance issues have been resolved and the facility is running normally. Outbound containers continue to be processed in good quantities for the Asian and Middle Eastern markets. General feedback from the markets is positive.

The Imperial Valley and Blythe harvests continue in lesser degrees as the growing season comes to an end. Some alfalfa is still in the late harvest stages with yields being very low. Export quality alfalfa is in short supply as most growers have committed their inventories. Local dairy demand for any remaining available alfalfa is very weak.

Utah and Idaho alfalfa this year has been high color and high RFV. However, most remaining available product is in strong hands, with competition between dairies and exporters somewhat muted by the current high price expectations of growers. Some remaining unclaimed product may come in to play in the coming weeks.

In Nevada, the alfalfa hay market is steady with some good quality export product still available. The 3rd and 4th cuttings have shown good color and reasonably good test. At present some growers are speculating while others seek to move product. ACX has a good presence in the market and we have been successful in finding good quality product at reasonable trade.

Arizona harvests continue with lower yields and varying quality as the growing season comes to an end. Some late season harvests are yielding very low tonnages. Export quality alfalfa continues to be in short supply as most have committed their inventories. Local dairy demand continues to be soft.

Unlike the mid and later summer, we have recently had good weather in all areas. Transportation and other factors continue to be stable.

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