



July 17, 2003

Oregon Crop

Harvest is in full swing throughout the Pacific Northwest. Yield reports are varied depending on location and age of field. Here is a breakdown on the crop conditions to date.

Kentucky Bluegrass: Initial reports are the crop is coming in average to above average on dryland production. Irrigated production has been reported to be very good. However, the reduction in acres has kept this market firm to increasing.

Perennial Ryegrass: It is too early to report any yield estimates. We have been getting reports that the swathers are coming out of the field orange with rust. Prices continue to increase with these reports and this weeks' PRBA meeting.

The PRBA (Perennial Ryegrass Bargaining Association) met this week to price the last 1/3 of the crop. The Board determined to increase the grower price 18% on the final 1/3 of the crop. Most companies will probably pay an average between the two prices to limit conflicts of a two-tier price system. The increase in the grower price will cause the market to continue to increase through next spring.

Tall Fescue: The Missouri crop is reported to be between 65-75 MM pounds. Yields in the Southern Willamette Valley were lower than expected with a few fields down by as much as 50%. The North Valley is just getting into their production and early indications are yields are average. With lower yields and reduced acres we are harvesting the smallest tall fescue crop in a number of years. However, there are still a few companies with excess inventories that need to be shipped before market prices really start to increase.

Fine Fescues: Cleaners are having difficulties with mill checks making purity. Light seed and excess chaff will cause heavier than normal clean-outs reducing the yields even more. We are a few weeks from harvest in Canada, however the crop is actively being traded for spring at \$48/cwt.

Annual Ryegrass: The crop is coming in much lower than expected. Many yields have been reported in 1300 to 1400 lb. range. This has caused pricing to increase into the low 20's with expectations for it to go higher.

Orchardgrass: The crop harvest on Orchardgrass has not begun yet. However, prices are slowly increasing from the low 60's in anticipation of a lighter crop and the return of buyers to the market.

Overall, prices on most species have solidified. Reduced acres and lower yields have brought supplies in-line with demand. In addition, there is little anticipation of imported seed affecting the current and near future markets. It all adds up to stable to increasing market prices in all the major species. The only question left, is what will the demand be for both the fall and spring shipping seasons?

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