

June 2011
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Spring Edition

ACX ADVISOR

Highlights:

- About 1/3 of PNW harvest affected by rain and moistures.....
- Third cutting starting in the SJV...
- Warmer weather and improved yields in the PSW...

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Pacific Northwest - PNW *Ellensburg Division Update*

The 2011 Columbia Basin harvest is delayed again. Many growers are waiting for weather conditions to improve to begin cutting.

About one third of the harvest has been affected by rain, high moisture, or green chopping in the Columbia Basin.

Many farmers in the south have chosen to green chop and bag the first cutting for local dairy use. Others have attempted to harvest with higher moisture content and green stem, preventing them from making export quality hay.

Showers have discolored the appearance of most hay harvested so far in 2011. Local dairies have been aggressive to purchase this product and gather some fresh feed for their dairy operations.

North Basin growers are just getting started and conditions are still good for making alfalfa. These growers are also waiting for a good weather harvest window.

Timothy hay is growing well and the crop is looking good. Timothy cutting should begin soon.



U.S. dairy prices are rising, giving dairies relatively increased purchasing power. PNW dairies are not in a strong cash position to make large purchases, but have been fairly aggressive in securing the first part of the PNW Alfalfa harvest.

Other commodities at this time are trading at elevated levels.

Pacific Midwest - PMW

Wasco Division Update



The San Joaquin Valley alfalfa market is struggling due to high prices and poor weather conditions. Growers are not concerned about quality but are trying to keep their hay from getting rained on. Second cutting is finished, and some farmers have started third cutting.



Low quality alfalfa is still moving strong even when TDN numbers are below 54. Dairies in central California are feeding week to week and have reduced alfalfa rations.



ACX is Ready



There are several brokers looking for better quality for their customers. Brokers are concerned about getting paid from dairies, and farmers are still demanding quick payments.

Highs in the 70's have hurt the yields and slowed down Sudan and other crops. Grasses and fox tail have been seen in all the fields.

Some contracts are starting to firm up for summer and fall alfalfa, but growers are holding off on contracts to determine if the market will be stronger in September.

Quality is mostly dry cow, and most fields have cleaned up now.

Wheat silage harvest started in May and yields are high, dairies are planting corn now on the chances that alfalfa will be short.

Sudan farmers are planting ACX TRUESWEET™ Sudan as fast as possible.

Northern California harvest will start around middle to late July. With rains still falling, northern California might see less tonnage in 2011.

Water is plentiful in California lakes and reservoirs.

Dryland oat hay harvest is almost finished. As expected, quality is very good with light green color and sweet taste.



Pacific Southwest - PSW

Wilmington Division Update

With the beginning of June, there are signs of warmer weather and improved yield for alfalfa and other crops in the Pacific Southwest. This is a much needed change over cooler weather and significantly decreased yields in the first three cuttings of the PSW harvest.

Domestic and export demand has remained consistent. However, the market price is considerably lower than the very beginning of the harvest.

First cutting Sudan grass is just beginning to be harvested. Cooler temperatures have yielded greener color and medium to coarse stem. It is still very early; about 20% of the first cutting Sudan grass harvested.

The Idaho, Utah, and Nevada regions continue to have cool temperatures and above normal precipitation for this time of year. Fortunately, warmer temperatures are expected in the near forecast.



Alfalfa harvesting is starting in some areas with the majority to begin in the next twenty-one days. Most farmers indicate that their historical timeline for production is anywhere from two to four weeks behind schedule.

With regard to exports from Los Angeles and Long Beach ports, ocean freight is stable. Other than fluctuation in bunker fuel, most carriers have stabilized rates for competitive vessels. This stability is due in part to additional capacity and carriers adding vessels to major trade lanes.

Weather Update

The below is a weather forecast for the primary growing regions of the Western 11 states. Please visit the weather section at acxpacific.com for more information.

Date	PNW – Ellensburg Area				PMW – San Joaquin Valley				PSW – Imperial Valley			
	Cond	High	Low	Rain	Cond	High	Low	Rain	Cond	High	Low	Rain
Jun 8		22	9	10%		31	18	0%		37	18	0%
Jun 9		24	12	0%		31	18	0%		37	19	0%
Jun 10		23	10	20%		31	18	0%		38	21	0%
Jun 11	<i>WINDY</i>	23	9	20%		31	18	0%		39	20	0%
Jun 12		25	11	10%		31	19	0%		37	21	0%
Jun 13		24	10	0%		33	19	0%		37	22	0%
Jun 14		24	10	0%		33	19	0%		38	22	0%
Jun 15		24	11	0%		34	19	0%		39	22	0%
Jun 16		25	11	0%		33	19	0%		39	21	0%
Jun 17		22	11	30%		33	21	0%		39	21	0%



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INTL IMPORT COMPANY			
1OUS540 Reference or LC #	2009-06-24 Booking Date	0001208888 Invoice Number	
2ND CUT PREMIUM DAIRY ALFALFA Product	US \$340.00 Price	ELLENSBURG, WA ACX Facility	
20 Containers Ordered	20 Containers Shipped	40HC Containers Type	
Shanghai Destination Port	COSCO Steamship Line	SHANGHAI EXPRESS Vessel Name	
2009-06-30 Cut-Off Date	2009-07-02 ETD	2009-08-30 ETA	
Document Package:			
DFSU602789-3 Container Number	9406099 Seal Number	58 Number of Bales	57,920 / 26.27 MT Net Weight



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