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Date 7/3/14

Headline: Buying or Selling Hay

WARSAW, Mo. – Hay harvest has been rapidly progressing this month in central Missouri. Producers that are buying or selling hay always have the issue of pricing the stuff. Hay pricing should take into account all production costs. These include costs for putting up the crop, fertilization of hay fields and any land ownership costs the landowner wants to recoup.

The Missouri Department of Agriculture publishes a weekly hay market report for many different hay categories. Recent prices for “good quality mixed grass hay” were quoted as \$40 to \$70 per ton or \$20 to \$40 per large round bale. How should producers compare the price of hay when it is sold by the ton vs. by the bale? The only way to compare hay priced by these two different methods is to weight the bales and then compare cost on a weight basis.

Producers don’t need to weigh every bale, but weighing random trailer loads as they are being hauled off the field gives an estimate of average bale weight. Use this information to calculate the cost per ton of hay. This allows for a direct cost comparison between two sources of hay. This also gives an estimate of average hay yield, an important consideration when applying fertilizer.

So which is cheaper, \$20 per bale or \$40 per ton? The answer depends on bale weight. A 900 pound bale priced at \$20 per bale actually costs a few cents over \$44 per

ton. A 1,300 pound bale priced at \$20 per bale actually costs about \$31 per ton. The difference is more dramatic as the price per bale increases. When priced at \$40 per bale, a 900 pound bale costs \$89 per ton while the 1,300 pound bale costs about \$62 per ton. If we figure 10% waste due to storage and feeding losses, this difference increases to over \$30 per ton for hay that is priced at \$40 per bale simply due to differences in bale weight.

Hay isn't bought and sold just for the fun of it, so how do these different bale weights impact cow feed costs? Assuming we are feeding a 1,200 pound cow and paid \$40 per bale with 10% storage and feeding waste, a 900 pound bale costs \$1.48 per day to feed the cow while the 1,300 pound bale costs \$1.03 per day to feed the same cow. Can you afford to pay an extra \$0.45 per cow per day in feed costs simply due to bale weight differences of purchased hay?

If you would like more information on hay production costs or comparing feed ingredient prices, contact me at the Extension Center in Warsaw at (660) 438-5012 or by e-mail at schmitze@missouri.edu.

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