

EXPORT HAY TO JAPAN IS UP SIGNIFICANTLY

*Information and data provided by
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Higher acreages and yields have produced a good supply of hay for the Pacific Northwest with some thinking that there is an excess hay supply. The export business seems to be doing its part in making use of the supply by making up quantities that could not be shipped during the West Coast port shutdown. During the month of October, Japan, the leading importer of U.S. hay, imported 40% less hay than the previous month of September. It appeared that the short quantities of hay were made up in November and December. However, early 2003 has shown some interesting results. Japan imports of cubed hay were up for the month of January over the previous year by 72% at

51 thousand metric tons positively correlating with imported baled hay which was up 70% at 192 metric tons. Through February, the Japanese imports of alfalfa cubed hay were up more than 43% over the same period in 2002, while baled hay imports were more than 52% greater than early 2002. Although this will help with excess hay supplies in the Pacific Northwest, it appears that there may have been some stock piling of hay in Japan due to the concern of future port shutdowns and the concerns with war in the Middle East. March export reports may be slower with the advent of Operation Iraqi Freedom.

Following are five tables showing the import data for hay products in Japan and Korea. *Sources: Japan Customs, Korea Trade Statistics, National Hay Association.*

NORTHWEST SCIENTISTS REVISE PRIMER ON HERBICIDE-RESISTANT WEED CONTROL

A newly revised publication by Pacific Northwest Extension experts about herbicide-resistant weeds offers farmer a tool to help avoid major problems in the future. According to Donn Thill, a UI Weed Scientist who co-authored the guide with colleagues at UI and Oregon State University, the best defense for growers is a coordinated herbicide program. "What it comes down to is good record keeping," said Thill, who also serves as president-elect of the Weed Science Society of America.

Herbicide-Resistant Weeds and Their Management explains how weeds lose their vulnerability to common herbicides. The six-page publication features an easy-to-use chart for agricultural chemical applicators. The publication was issued by the Extension services of the University of Idaho, Oregon State University, and Washington State University. The publication, which

costs \$2.00, groups herbicides by how they kill weeds, and lists Pacific Northwest weeds resistant to each herbicide group. Copies can be ordered by phone at 208/885-7982, by fax at 208/885-4648, or online at <http://info.ag.uidaho.edu/>, or view the publication directly at <http://info.ag.uidaho.edu/pdf/PNW/PNW9437.pdf>.

COLLEGE FINANCIAL AID FORMS A FARM FAMILY PERSPECTIVE continued from January issue of *Hay News*

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In the January issue of Hay News, the first part of a two part article on college financial aid for farm families was introduced. The second part of the article follows.

The financial need formula is very simple and straightforward. The cost of attending a particular college is simply a matter of deciding which school the child chooses to attend and then going to a directory to determine the annual cost. Once this has been identified, the expected family contribution and the resources of the student are the only two variables affecting financial need. Below is a table illustrating how the expected family contribution is calculated:

EXPECTED FAMILY CONTRIBUTION

Parents' Contribution from Income equals the parents' adjusted gross income on their personal tax return plus untaxed income and benefits less income allowance, federal income taxes, social security taxes, state taxes, and employment expense allowance multiplied by 22 - 47%.

Parents' Contribution from Assets equals the parents' assets less the asset protection allowance multiplied by 2.6 - 5.6%.

Student's Contribution from Income equals the student's adjusted gross income plus untaxed income and benefits less federal income taxes, state taxes, social security taxes, and \$2,330 allowance multiplied by 50%.

Student's Contribution from Assets equals the student's assets multiplied by 35%.

The **expected family contribution** is the sum of the **parents' contribution from income**, the **parents' contribution from assets**, the **student's contribution from income**, and the **student's contribution from assets**.

As outlined above, the expected family contribution is dependent upon the income and assets held by both the parents and the student. Cash basis farmers, particularly those that are incorporated, are in a unique position to plan their income levels. Simply adjusting the timing of the receipt of income and payment of farm expenses allows the farmer to carefully plan for the desired income level. Incorporated farmers set their salaries paid from the corporation and accordingly have the ability to set their personal income levels. Farmers that live on the farm and materially participate in the operations of the farm qualify for an exception, whereby the farm assets are not included in the calculation of the expected family contribution. The balance sheet of today's farmer is typically made up of predominantly farm assets qualifying for the farm

exception,

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**WASHINGTON/OREGON
(COLUMBIA BASIN)
WEEKLY HAY - MARCH 21, 2003**

Tonnage: 4,016 Week Ago: 2,800 Year Ago: 3,575

Compared to last week, new sales continue to be slow, not much interest from dairy or export buyers. Demand light, supplies light to moderate. Prices holding near steady, although there seems to be a lower undertone on the low end dairy and hay going as feeder hay. Retail/feed store/horse hay steady, most new sales light, however some producers indicating more interest than the last several months. Demand light to moderate as supplies light to moderate, with some producers just about out of the higher quality supplies. Weather has been favorable to farm work, most producers have completed their fertilizer and spraying programs.

Quality/Bale Size	Tons	Price	Wtd Avg	Comments
Export Alfalfa sales to move in 60 days unless noted:				
Prem. mid/ton	700	85.00	85.00	Cubing
Good mid/ton	1450	70.-80.00	76.55	Cubing
Domestic Alfalfa sales, tops off:				
Prem. 2-3 tie	25	105.00	105.00	
Good 2-3 tie	275	80.-90.00	81.82	
Fair mid/ton	475	70.-75.00	73.16	

1,091 tons of other hay. Good Alfalfa, rain damage, 85.00 FOB. Fair Alfalfa, light weeds, 90.00 delivered. Feed store or horse accounts sales covered, mostly 2-3 tie bales: Premium Alfalfa, 130.00 FOB. Good to Premium Alfalfa 100.00-115.00 FOB. Good to Premium Alfalfa, small lots, 90.00-100.00 FOB. Good to Premium Alfalfa, light grass, 105.00 FOB. Good Alfalfa, some with light rain damage 90.00-100.00 FOB. Good to Premium Orchard 145.00-150.00 FOB. Good to Premium Orchard, going to Canada, 150.00 FOB. Good Orchard, 110.00-130.00 FOB. Good to Premium Orchard and Alfalfa blend 135.00-145.00 FOB. Good to Premium Oat/Timothy 120.00 FOB. Wheat straw 50.00 FOB.

USDA Market News

COLLEGE FINANCIAL AID FORMS, cont.

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meaning they will not be assessed in the financial aid need analysis. Couple this with the ability to set the farm family's income at a favorable level, and we have a very ripe opportunity for financial aid planning.

Financial aid planning is a relatively new concept. The ever increasing cost of a college education will continue to emphasize the need to plan in the future. Savvy farmers will understand that with proper planning, they will pay very little to put their children through college. Tax planning strategies which are designed to save the taxpayer a couple thousand dollars in income taxes may in fact cost the family many times this amount in lost financial aid. It seems that the abundance of rules and laws that the farmer needs to understand and implement continues to increase. For these reasons, today's farm family needs to seek advice from professionals who understand how financial aid planning must dovetail with planning for income taxes. Proper planning with the use of competent advisors is the key to maximizing your farm family's financial aid package.

LIVESTOCK COMPENSATION PROGRAM

Agriculture Secretary Ann Veneman announced that sign-up for the expanded Livestock Compensation Program will begin April 1, 2003. Many Washington counties not included in the last fall's LCP are now eligible for participation, including Adams, Asotin, Benton, Chelan, Clallam, Clark, Cowlitz, Douglas, Ferry, Franklin, Grant, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas, Klickitat, Lewis, Lincoln, Mason, Okanogan, Pacific, Pierce, Skagit, Skamania, Snohomish, Stevens, Thurston, Wahkiakum, Walla Walla, Whatcom, and Yakima. For more information, go to www.usda.gov.

WELCOME

USDA's Moses Lake market news office welcomes John Welty. Mr. Welty has been in the Greeley, CO, office for the last several years of his more-than-25-year career with USDA. He will be helping with the collection of market information and writing hay and livestock market reports. Mr. Welty is expected to arrive in Moses Lake toward the end of April.