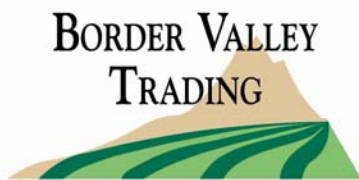


Border Valley News

April 17, 2009



A Commitment to Safe, Quality, Feed

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Imperial Valley Alfalfa Update:

Growers are now harvesting 2nd cutting alfalfa. Most of the alfalfa produced thus far has been high test, premium grade for the domestic dairy market. Because of difficult drying conditions in February and March, making sound export hay has been difficult.

Recent weather has been more favorable for making export quality. We are now seeing high test, premium alfalfa that is bright green, very little bleach, good leaf retention and soft texture. New crop alfalfa for the export market can be safely shipped from the middle of May with a small volume moving out a little sooner.

Demand from the domestic dairy market has been slow due to low milk prices and most dairies still consuming old crop inventory. Dairies are just starting to become more active buying alfalfa as they feel pricing has stabilized in the Imperial Valley and old crop inventories are getting low. It is expected more dairies will start buying as markets stabilize, old inventories are depleted and with an expected milk price increase from July.

Imperial Valley Sudan Update:

Farmers have been planting Sudan the past few weeks as germination weather has improved. Planted acres so far this year are close to those that were planted last year. We expect this trend to continue over the next few weeks and then planting will taper off.



Overall Sudan acres will be much lower than last year as growers cut back the amount of acres planted after wheat.

In 2008, there was approximately 36,500 acres planted after May 15th of last year as growers continued to plant based on the strong outlook from the export market.

This year growers will be much more conservative to plant late Sudan as they hear from exporters about downward pricing and lower pricing. They will not risk losing money on late planted Sudan if market conditions are poor.

BVT has been working closely with our core farmers to assure we have good supplies of new crop Sudan. We have also been working with new growers that wish to support BVT.

Imperial Valley Klein Update:

Most farmers are just starting to irrigate Klein as weather has just turned favorable for Klein grass growth. Due to slow demand for Klein from the export market, many farmers delayed their 1st irrigation to keep fields free of winter grasses and to delay the start of harvest.

Some Klein fields are now being "clipped" to clean up old growth and winter weeds. This Klein will go to the domestic market as it is not suitable for export. 1st cutting Klein for export should start the end of May.

We have seen a reduction of 5% in Klein acres compared with last season and feel this number will continue to increase. Some fields will be placed in the fallowing program on July 1st. Fallowed fields cannot be irrigated for 1 year and will make only 2-3 cuttings.

The slow demand for Klein may also encourage farmers to plow older fields after 2-3 cuttings. This will give farmers the opportunity to prepare ground early for other fall crops.

While the price for fuel and fertilizer has decreased compared to last year, these costs are still relatively high and make up a large portion of Klein production costs. If growers are not able to sell 1st and 2nd cutting Klein

at profitable levels, they have indicated they will continue to take Klein fields out of production .

Due to the poor market and the options available to growers (fallowing program, removal of older stands, preparing for fall crops), it is our estimation that Klein acres will decrease by an additional +20% after 2-3 cuttings.

Imperial Valley Bermuda Grass Update:

Farmers are now irrigating Bermuda and evaluating whether to make seed or hay. Due to slow demand for both seed and hay, growers are faced with a difficult decision. Over the next 30 days, farmers will evaluate both the baled hay market and seed quality in their fields and determine whether they will make seed or hay.

Demand from the export market is also slow but demand from the domestic horse market is stable. Lower alfalfa prices is putting pressure on Bermuda hay prices. Bermuda acres have also decreased about 8% compared with last season.

Grass Hay Trends:






Slow demand and price pressure from the export market is driving total grass hay acres and production lower on all crops. The swing from strong demand and strong prices to what we are seeing in the market today will negatively impact short and long-term supplies of grass hay. If the markets stabilized, growers might be influenced to take more risk by leaving fields in production. With current market trends, we just don't see that happening and an overall decrease in grass hay acres and production is forthcoming.

Imperial Valley April 15, 2009 Acres Comparison






	Alfalfa	Bermuda	Klein	Sudan	Wheat
1999	166647	52549		39734	42345
2000	177159	51599	3006	31178	49617
2001	175840	60696	8421	26744	38546
2002	178724	65007	10095	21743	43583
2003	159132	61602	9916	35758	58769
2004	141637	64975	13957	26681	49146
2005	140087	62386	14012	45524	30152
2006	146732	62130	13318	44064	24308
2007	128649	64268	15166	39432	46482
2008	114185	55506	14818	16200	108264
2009	130793	50934	14054	15537	105160

The Weather

Imperial Valley

APR 17	APR 18	APR 19	APR 20	APR 21
				
Sunny	Sunny	Sunny	Sunny	Mostly Sunny
High: 29° Low: 14°	High: 34° Low: 16°	High: 37° Low: 18°	High: 38° Low: 18°	High: 38° Low: 18°

Modesto

APR 17	APR 18	APR 19	APR 20	APR 21
				
Sunny	Sunny	Sunny	Sunny	Partly Cloudy
High: 28° Low: 12°	High: 31° Low: 14°	High: 36° Low: 17°	High: 36° Low: 16°	High: 35° Low: 14°