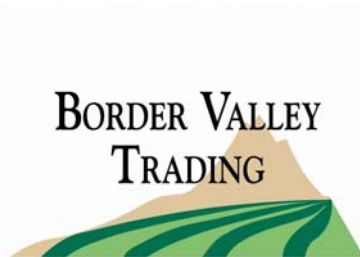


Border Valley News

MAY 31, 2008



A Commitment to Safe, Quality, Feed

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IMPERIAL VALLEY

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Alfalfa harvest in California is now very active as most alfalfa growing areas of California are harvesting alfalfa, with the Northern California Mountain areas starting harvest soon.



In the Southern San Joaquin Valley area, farmers are now starting to harvest 3rd cutting. Growers in the Northern San Joaquin Valley and Sacramento area are harvesting 2nd cutting.

Recently we have seen some very nice 2nd cutting premium export alfalfa being produced in Central California. Most of this alfalfa has good green color, medium stem, soft texture and good leaf retention. Analysis tests have been good, with most alfalfa testing between 22.0 to 23.0 crude protein and RFV 175 to 185, and in some

cases we are seeing higher tests.



In the Imperial Valley, farmers have completed 3rd cutting and have started 4th cutting. Quality recently has been stable with good harvesting conditions. We are seeing some nice #1 grade export alfalfa, with good green color, medium stem and good leaf retention.



Demand for alfalfa from all growing areas has been very strong and many in the industry think this trend will continue, and may even show more strength. Farmers are able to sell their alfalfa very easily and many times the same day as baling.

Border Valley hay buyers have been aggressive to secure nice quality export alfalfa in both the Imperial Valley as well as Central and Northern California. Please contact BVT if you have interest in 2008 alfalfa.

Sudan harvest has started in the Imperial Valley for the earliest planted sudan fields. The rate of sudan harvest will increase over the next few weeks, but due to limited sudan acres planted in March and early June, the amount of sudan harvested over the next month will be less than we have seen in previous years.



Quality of early harvest sudan is expected to be premium stem and mostly standard green color. As harvest progresses into summer, we expect to see more medium and some low color sudan. With the higher summer temperatures, nitrogen fertilizer is

utilized by the plant quicker and color tends to be lighter.



Farmers are continuing to plant sudan, and with the wheat harvest well under way now, we are seeing many early harvested wheat fields being planted into sudan. Farmers are indicating their intentions to continue to plant sudan until the first half of June. Later planted sudan is expected to start harvesting the middle of July.

Steam ship lines have announced this week their intentions to increase ocean freight rates effective July 1st for all West Coast ports. Ocean carriers have indicated they will increase both the base rate as well as the bunker surcharge. Total increase is \$500 per container.








With higher oil pricing, steam ship lines are attempting to recover these costs by increasing the bunker surcharge. This is the 3rd bunker increase in 2008. Vessel space and container availability remains very tight with strong demand for U.S. Exports.

PSW Harvest Progress








as of May 31, 2008	1st Cutting		2nd Cutting		3rd Cutting		4th Cutting		5th Cutting	
	Cut	Baled	Cut	Baled	Cut	Baled	Cut	Baled	Cut	Baled
Imperial Valley										
Alfalfa	100%	100%	100%	100%	100%	100%	30%	20%		
Sudan	1%	1%								
Klein	100%	100%	10%	5%						
Early Bermuda Hay	100%	100%								
Bermuda Hay after seed										
Bermuda Straw										
Central California										
Southern San Joaquin Alfalfa	100%	100%	100%	100%	20%	10%				
Northern San Joaquin Alfalfa	100%	100%	100%	80%						
Sudan										

The Weather

Imperial Valley

MAY 29	MAY 30	MAY 31	JUN 01	JUN 02	JUN 03	JUN 04
						
Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny
High: 35° Low: 18°	High: 38° Low: 19°	High: 40° Low: 20°	High: 39° Low: 21°	High: 38° Low: 21°	High: 38° Low: 21°	High: 38° Low: 22°

Modesto

MAY 29	MAY 30	MAY 31	JUN 01	JUN 02	JUN 03	JUN 04
						
Mostly Sunny	Partly Cloudy	Mostly Sunny	Sunny	Partly Cloudy	Mostly Sunny	Sunny
High: 28° Low: 13°	High: 28° Low: 13°	High: 29° Low: 13°	High: 31° Low: 15°	High: 32° Low: 18°	High: 32° Low: 18°	High: 32° Low: 18°