From the Sidelines

Turfgrass seed prices will increase

Turfgrass seed companies are scrambling now to make deals and sign 2007 production contracts with growers. Getting supply agreements is tough in today’s market, which has seen an increased demand for acres to grow corn and wheat fuel the (pun intended) “craze for bio-diesel and ethanol.”

Glenn Jacklin, director of operations at Jacklin Seed, a division of Simplot, says all species of turfgrass prices are on the rise. “The demand for acres to grow crops other than turfgrass is rising, so the supply of acres is decreasing. The high commodity prices mean shrinking acreage for us,” Jacklin says. “There’s a tight market coming this fall for 2008 production.”

Another factor in higher seed prices, particularly for bluegrass, is a recent change in Idaho law that prohibits open field burning. “This issue is playing a big part in the instability of the market,” says Jacklin. The state produces 40% of the country’s bluegrass needs, says Jacklin, but the no-burn law (bluegrass yields drop significantly if there is no burning at least every 2 years) won’t stop bluegrass production entirely.

“Sixty-five to 70% of bluegrass production is done on Indian reservations, which operate under entirely different rules than the rest of the country,” says Jacklin. “That takes the sting out of Idaho’s decision.”

“The ripple effect however is that wheat growers won’t be able to burn their wheat stubble this year, which means right now 2008 and 2009 look bleak,” he says.

Another plus is that there’s no burning necessary to get good bluegrass yields in the Columbia Basin of Washington State. “Processors can secure acreage in this region but it costs more money per acre to do so,” says Jacklin. “There will be availability of bluegrass in the fall and next spring but it will be tighter than in the past. It remains to be seen just how tight.”

Jacklin says end users can expect to see a 15-20% increase in the price of bluegrass seed. “The cost of energy for producers has doubled; grower and supplier costs are up. In the past research has produced super-yield seed, which remains to be seen just how tight.”

Jacklin says he’s having fun with the new situation and that it has “revved up his engines” as he works now to set up supply agreements.

“All seed companies are in the same boat; you can expect higher prices for awhile,” he says. “Those that offer the best customer service will ‘win.’”