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## **CONSIDERATIONS FOR BUYING AND SELLING STANDING FORAGES**

As we move into summer, farmers and landowners often buy and sell standing forages to be harvested by the seller for silage or hay. Determining a fair price can be a challenge due to variability from field to field, weather and a number of other factors. This year costs for both harvest and growing a good crop are high and effort should be made for both parties to be treated fair.

Buying and selling by weight is the fairest way, even when the transaction is for standing forages. The buyer and seller can determine a sale price for the hay, and how much to deduct or credit for harvesting costs done by the buyer and including weather risk in the pricing discussion. This can be done in two steps, determining a price/value per ton for the hay and then determining the harvest costs to deduct after the total value of the hay is known. Most often the biggest challenge with this method is weighing the feed taken off the field(s). Ideally it would all be weighed but taking the time to weigh part of the feed, either a few bales or wagon loads, and counting the number of bales or wagon loads harvested to come up with an estimated total forage weight harvested is more accurate than guessing.

Probably the most common method used for pricing standing forage is by the acre. The biggest risk to this method is coming up with a reasonable estimate for yield. Yields can and do vary both between and within fields based on the age of the stand, weather, soil fertility, soil type and many other factors.

The goal for these agreements should be that effort is made for the agreement to be fair for both parties and they are both satisfied with the arrangement.

UW Extension additional resources to help both buyers and sellers determine reasonable prices for buying and selling standing forages including apps and spreadsheet tools at the following website: <https://livestock.extension.wisc.edu/article-topic/decision-tools-and-software/> . UW Extension also has a hay market report that is updated twice a month that can be found at: <https://cropsandsoils.extension.wisc.edu/>

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