



To our valued customers,

Twin City Seed appreciates being your trusted supplier of agricultural and turf grass seed products. We take great pride in educating our customers in all the factors that may affect the success of their seeding efforts. That is why we're reaching out to you today to share this letter from the Oregon Seed Association (OSA). Due to several factors — as highlighted in their letter below — seed supply for the next one to two years will be significantly reduced. This decreased supply coupled with an increased demand (again, highlighted below) have caused seed prices to rise steeply. It is rare for the OSA to send a letter like this, and I thought it important to get it in front of you as soon as I could.

As a result, we encourage you to reflect on your seed needs for 2022, and to consider placing your order and purchasing your seed now or by the end of the year to avoid experiencing the higher prices that are beginning to hit the market now. We have stock and can hold prices for a period, but we expect prices will continue to climb. We are happy to discuss your needs and what will work best for your business.

Twin City Seed thanks you for your support. We look forward to working with you through the potentially challenging time ahead and continuing to be your seed supplier of choice.

Sincerely,

Owner, Twin City Seed





August 5, 2021

As the representative organization for seed dealers, the Oregon Seed Association issues the following statement about the current state of the incoming crop and resulting price levels in the marketplace.

Regardless of what role you play in the market, there is no question you have heard of the uncertainty of seed supply and the rapidly increasing and ever-changing prices. What has caused this instability?

1. **Seed Yields:** The historical spring drought in most of the major growing regions, combined with extraordinary heat, has resulted in sizable reductions in seed yields across all major species. Irrigated fields did fare quite a bit better, but overall yield averages are well below historic norms and even below normal. Some fields are down 15% and others are down 50%.
2. **Acres:** Oregon and Washington are the capital of USA seed production for a reason. Growing conditions are very favorable and normally seed yields are extremely consistent. However, pressure has been put on available acres in all areas with the influx of hazelnuts in Oregon, and the rise in commodity prices, such as wheat, in others. Other areas outside of Oregon and Washington have risen due to these challenges but seed yield is much more unpredictable. The salient fact is that if Oregon and Washington don't yield, crop is likely to be tight in any given species.
3. **COVID Effect:** The industry is extremely grateful but still in shock at the realization that COVID was a huge net positive to grass seed sales. Simply stated, sales were crazy both in retail and wholesale over the past 1 ½ years. Homeowners spent on their homes and after a brief pause, outdoor activities – such as sports and golf – rose to new heights as activities that provided exercise and safety from the virus.
4. **Consolidation of Companies:** A few companies were acquired by others, as well as partnerships established to shore up seed supply. This had the real effect of moving inventory into the hands of seed companies with differing approaches to the market and some seed was strategically held for future sales.
5. **Carry-Over Effect:** Due to the above factors, carry-in inventory actually available for sale prior to harvest 2021 was historically low.

Therefore, the result of seed yield, acres, COVID effect, consolidation and carry-over is that grower prices have moved to all-time highs. In a historical first, companies are paying above bargained prices, out of the gate, to help offset grower losses, secure seed to incentivize movement of new crop in the fall and ensure future production.

We, as seed dealers, know that the shifting pricing and uncertainty in supply affects our customers around the world. We are doing our best to ensure the continuity of the supply chain in cooperation with our grower partners as well as our customers in these unprecedented times.

If you have questions, please reach out to Angie Smith, OSA Executive Director, at smith@pacwestcom.com or 503-685-7555.

###

The Oregon Seed Association (OSA) is a non-profit agricultural trade association representing the interests of Oregon's world-renowned seed industry. OSA members market and distribute Oregon grass and agricultural seed to more than 70 countries on six continents.