

July 6, 2021

# PRECIP & PRICES

A monthly report with insights into agricultural markets, weather, and current issues relevant to Utah producers

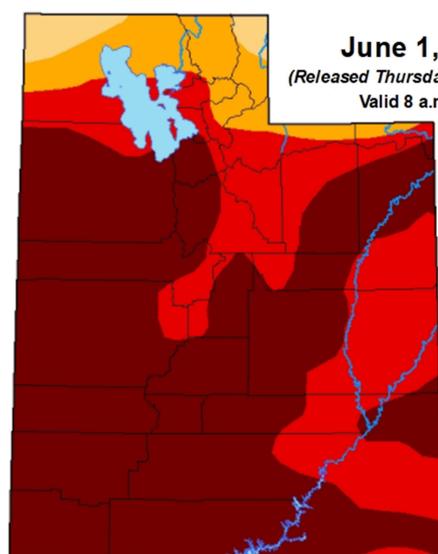
## Weather and Drought Report

### Current Conditions

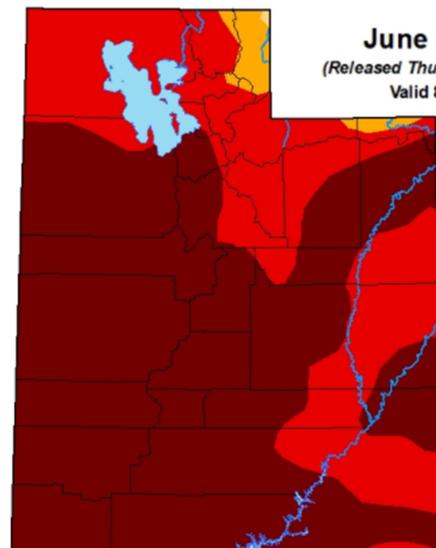
As expected, drought conditions worsened across the state during the month of June. Warmer temperatures and less precipitation than average contributed to the drought intensifying, particularly in northern Utah.

Drought across the US is causing decreased yields and market volatility.

The hay market in particular is already experiencing the effects of the drought and conditions are expected to worsen through the summer.



**June 1, 2021**  
(Released Thursday, Jun. 3, 2021)  
Valid 8 a.m. EDT

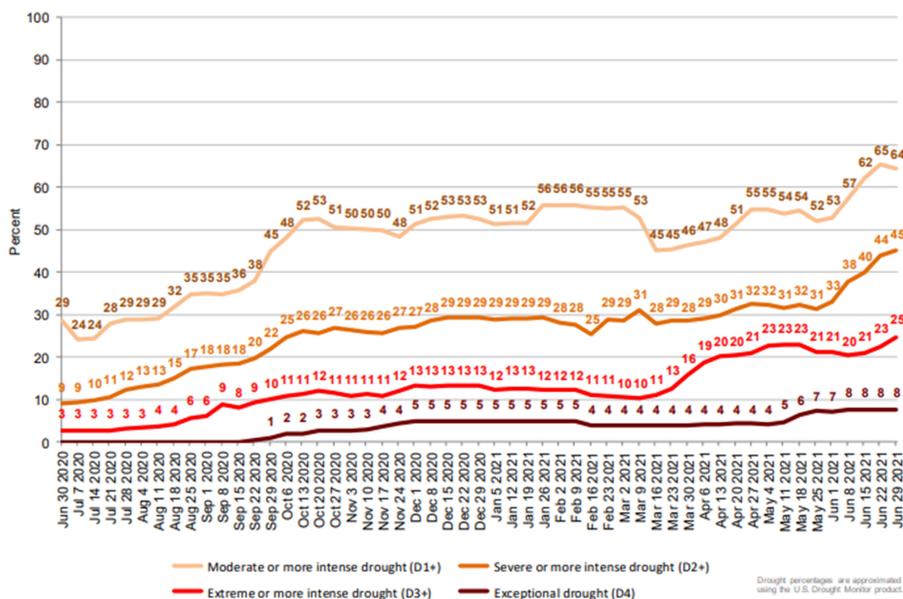


**June 29, 2021**  
(Released Thursday, Jul. 1, 2021)  
Valid 8 a.m. EDT

### Future Conditions

The 3-month drought outlook valid through September 30, 2021 shows drought persisting across the southwest. This combined with a monthly outlook showing increased probability of above average temperatures for the month of July suggest that conditions are not expected to improve this season across much of the US.

**Percent of United States Alfalfa Hay Located in Drought**



Drought percentages are approximated using the U.S. Drought Monitor product.

# Price and Agriculture Market Report

## Commodity Prices

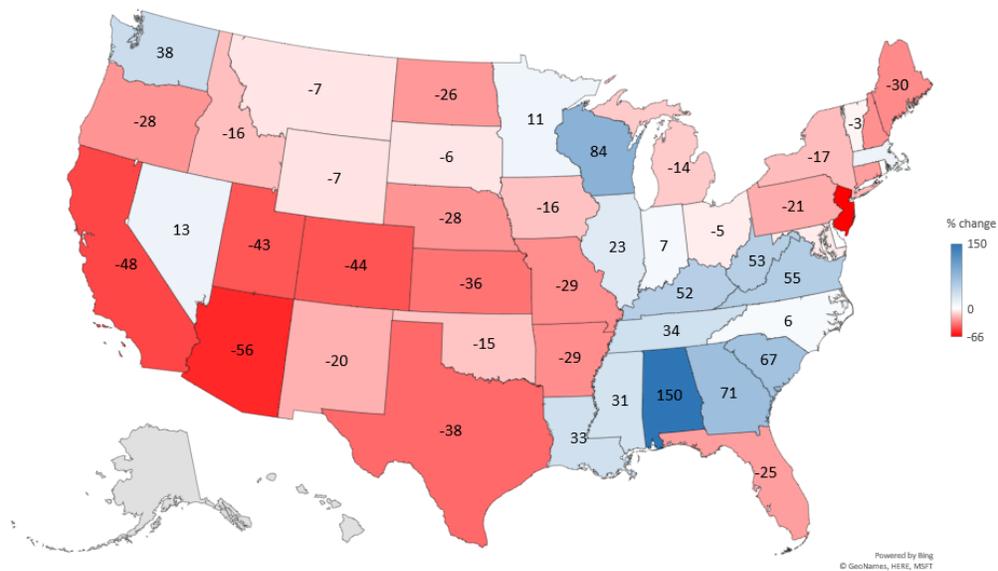
Commodity prices continued strong in June. Corn, soybean, and wheat prices remained above the five-year average. Weather conditions throughout the Midwest and West are impacting prices as well as strong demand factors.

## Utah Hay & Cattle Prices

October Feeder Futures gained over \$15 since beginning of May with trading prices around \$164. Drought considerations are still driving a lot of the cattle market uncertainty. Evidence of herd reductions are starting to surface at cattle auction locations around the the West. Western range conditions are causing a lot of concern for producers with close to 60% being classified as poor to very poor. Lack of forage on public ranges could drive hay prices this summer. Hay prices are beginning to jump with premium alfalfa selling around \$250/ton. Some producers are reporting hay prices above \$300 in certain parts of the state.



## PERCENT CHANGE MAY 1 HAY STOCKS (2020-2021)



CONTACT US WITH  
QUESTIONS AND COMMENTS

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