Current Conditions
After months of worsening drought conditions, the U.S. Drought Monitor this week shows the drought improving across the state. The current map shows 25% of the state in a D4 drought compared to 65% that was reported in early July. However, the drought intensity is still classified as extreme and, thus, continued effects of drought should be expected.

Future Conditions
The 3-month drought outlook, valid through November 30, 2021, shows drought persisting across the southwest. This combined with a seasonal outlook showing increased probability of above average temperatures for Utah suggests that drought conditions are not expected to make drastic improvements as we move into the fall.

Despite monsoon rains improving conditions across the state, lingering effects of the drought including low soil moisture, low streamflow, and low reservoir storage are likely to remain and need time to improve.
Commodity Prices
Commodity prices have weakened over the summer months. Futures prices are currently down over a dollar from where they were in May. Weather conditions throughout the Midwest and West are impacting prices as well as strong demand factors.

Utah Hay & Cattle Prices
October Feeder Futures continued strong with trading prices around $165. Drought considerations are still driving a lot of the cattle market uncertainty. July 1st cattle inventory numbers showed a 1.3% drop in total cattle numbers. USDA also reported a third consecutive year of declining calf crop. Hay prices are remaining high with premium alfalfa around the $260/ton range and good alfalfa in the $215 range. These prices will vary based on different parts of the state. Recent rains throughout the state have provided some needed moisture but has not provided much relief for forage requirements.

JULY 1 TOTAL CATTLE INVENTORY
U.S., Annual

CONTACT US WITH QUESTIONS AND COMMENTS
Ryan Larsen, Extension Agribusiness, Farm Management, Risk Analysis Specialist ryan.larsen@usu.edu
Anastasia Thayer, Extension Water Resource Specialist anastasia.thayer@usu.edu