

January 8, 2021

PRECIP & PRICES

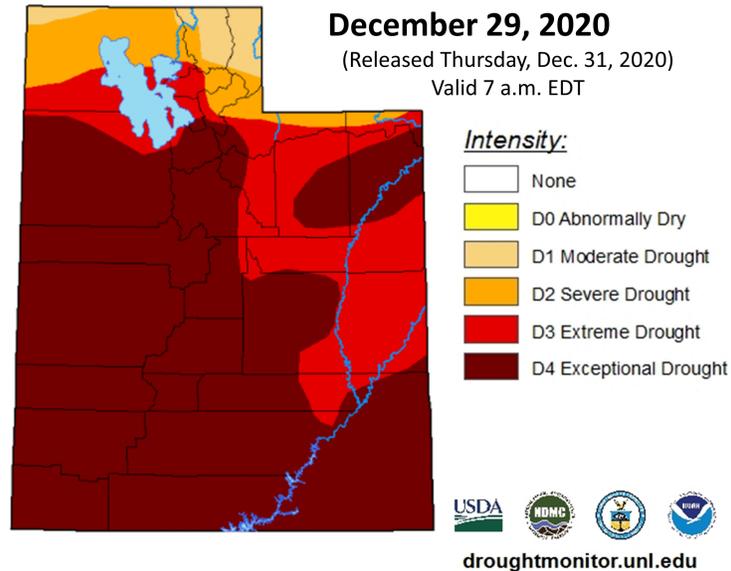
A monthly report with insights into agricultural markets, weather, and current issues relevant to Utah producers

Weather and Drought Report

Current Conditions

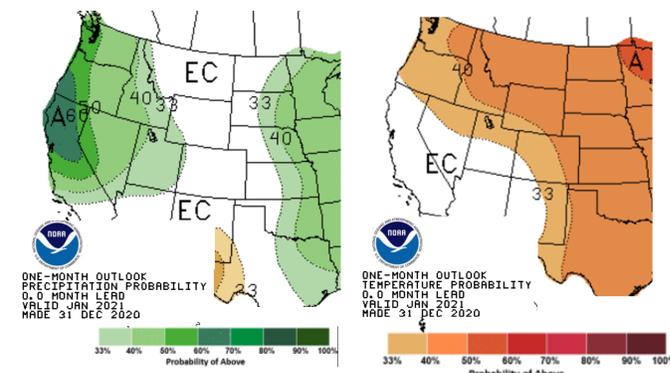
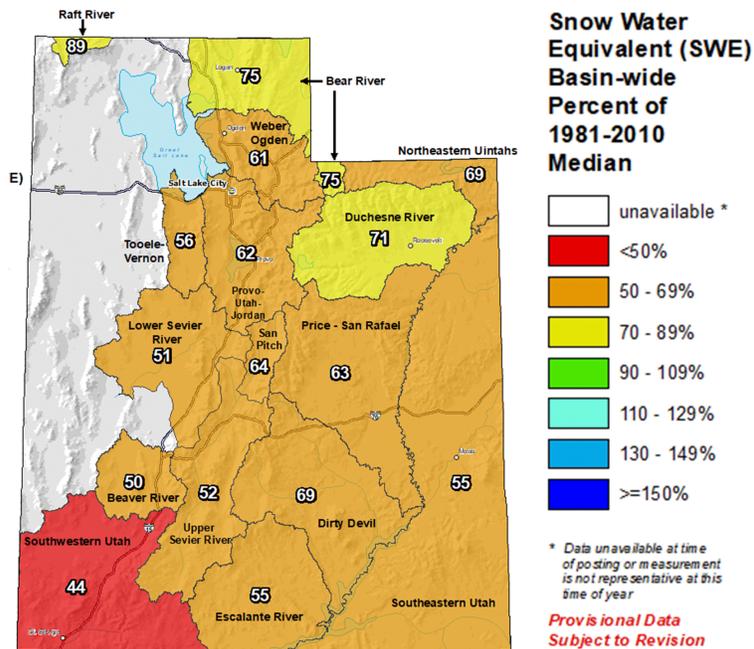
Drought conditions continue to persist across the state with few changes since the December report. According to the U.S. Drought Monitor, approximately, 68% of the state remains in exceptional drought with an additional 21% experiencing extreme drought. As noted in previous reports, conditions this year are the most severe since the Drought Monitor began reporting in 2000.

This time of year, snow reports are also an important component of evaluating current weather conditions. Winter snowpack will impact water availability and river flows into the spring and summer. So far, snow water equivalent is less than the median historic conditions throughout the state with deficits more severe in the southern and southwestern parts of the state.



Future Conditions

According to the three-month drought outlook from the NOAA Climate Prediction Center, drought conditions are expected to persist through March 2021. However, the one-month outlook shows the probability of above normal precipitation at 33% for the month of January. While the forecast continues to predict above normal temperatures, the above normal precipitation might begin to alleviate drought conditions.



Price and Agriculture Market Report

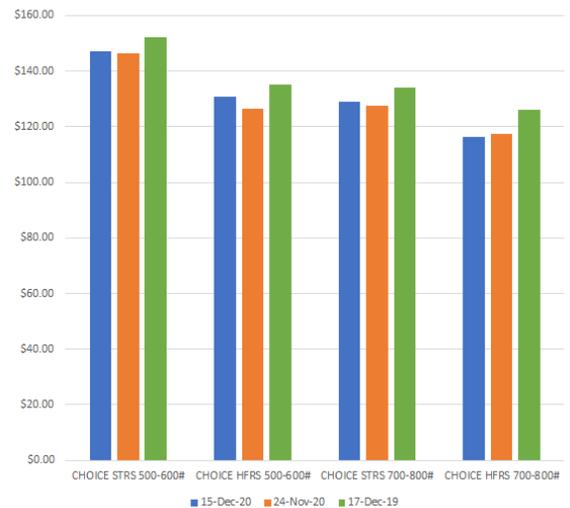
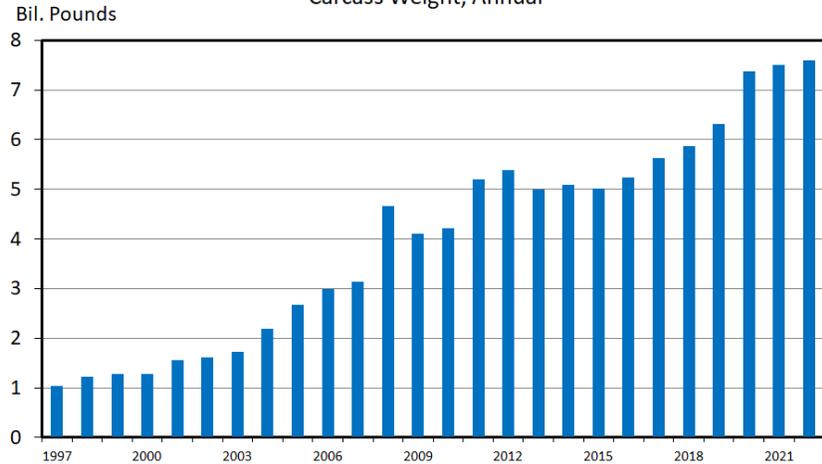
U.S. Pork Exports

U.S. pork exports grew from 2018 to 2019 due to many pork issues around the world. Lingering global pork production issues will continue to impact U.S. pork exports. U.S. pork exports are projected to continue growing for the next few years. This increase in demand will impact pork prices and subsequently other protein prices such as beef and poultry.

Market Prices

Corn prices have increased almost a \$1 during 2020. Current prices are right around \$5. This is a positive for corn producers but will negatively impact the cost of gain for beef producers. April 2021 feeder futures have been volatile over the past month and a half. They bottomed out mid October at \$127 and have since returned to \$138.25 as of January 4, 2021. The past five year average for April feeder futures contracts has been \$144 indicating that current futures prices are below the average. In the cash market, Salina livestock auction prices showed the same pattern. Cash prices increased just slightly since November. Choice steers 500-600 lbs increased by \$0.50 to \$147 in December and heifers increased \$4.00 to \$130.65. Utah hay prices have held steady with dairy quality hay being reported at \$205/ton, good quality hay at \$160-\$170 per ton, fair quality hay at \$165/ton, and 3 way at \$155/ton.

U.S. PORK EXPORTS
Carcass Weight, 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