Weather and Drought Report

Current Conditions
Low levels of soil moisture across the state continue to exist with low snowpack across Utah. Currently, approximately 70% of the state is experiencing exceptional drought and 90% of the state is experiencing extreme or exceptional drought. Snow water equivalent is down across the state with some regions, particularly the southwest particularly impacted. From the Utah Water Supply Outlook Report released February 1, statewide snow water equivalent is 65% of normal with the likelihood of reaching normal snowpack at peak in two months of less than 10%. This suggests that it is likely that water supply and streamflow will be well below normal going into the spring and summer.

Future Conditions
It is expected that drought conditions will remain throughout the spring. Probabilities of above normal temperatures and below normal precipitation are forecasted across the state from February through April. In addition, La Nina conditions are expected to persist (95% probability) from January through March. La Nina historically has been associated with drier conditions across much of Utah. There is a 55% probability that ENSO neutral will return from April through June 2021.
Price and Agriculture Market Report

Hay Supply and Prices
December 1 hay stocks have declined by almost one percent since December of 2019. Some western states have seen a dramatic reduction in hay stocks. Drought conditions in the West don't provide any indication that 2021 will replenish hay stocks. This could compound the current drought conditions in Utah and surrounding states. Utah alfalfa prices increased since a month ago with dairy/supreme quality hay at $220/ton, fair quality at $180/ton and 3 way at $170/ton.

Cattle Market Factors
January 1 cattle inventory numbers were released by the USDA this past month with close to a 1% decline in the total cattle inventory. October live cattle futures hit $122 this past week. The October 2021 futures contract is close to $5.00 above the 5 year average trading range for October live cattle futures. Locally, Salina livestock auction prices are showing a slight increase with a range of prices for 5-600lb steer calves from $125-$151. Drought conditions and cost of feed are going to be key factors to watch as the spring progresses. Right now is an ideal time to develop a drought plan to account for the possibility of decreased forage, reduced stocking rates, and potential for increased feed costs.