

December 4, 2020

PRECIP & PRICES

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

Weather and Drought Report

U.S. Drought Monitor

In the last installment of Precip & Prices, I mentioned that our current drought conditions were increasing in severity and intensity to levels not seen since the drought in the early 2000s. In the last month, drought conditions persisted such that now we are in the most intense period of drought on record since recording started in 2000. In the U.S. Drought Monitor report released this last week, 68% of the state fell into the D4 (exceptional) drought category. Further, 90% of the state is now experiencing extreme and exceptional drought (D3-D4). As mentioned previously, these are the two highest categories used by the Monitor.

To put these categories into some perspective, the U.S. Drought Monitor categories correspond to percentiles of observed characteristics. The D4 category is associated with drought conditions that are in the 1st and 2nd percentiles. The D3 category is associated with drought conditions are in the 3rd-5th percentiles. Perhaps this provides some context for how current conditions compare to historic observations.

Unfortunately, according to the one- and three-month outlooks, drought is expected to persist throughout Utah into the winter months. La Nina conditions continue to persist and are likely to impact winter temperatures and precipitation patterns.

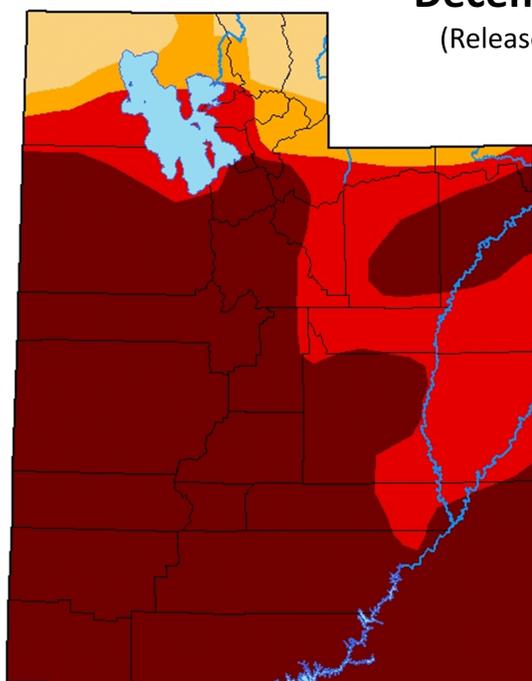
Drought Conditions (Percent Area)

	None	D0	D1	D2	D3	D4
Current	0.00	0.00	4.93	4.96	21.55	68.56
Last Week <i>11-24-2020</i>	0.00	0.00	6.80	6.09	41.01	46.10
3 Months Ago <i>09-01-2020</i>	0.67	1.42	6.38	45.48	46.04	0.00
Start of Calendar Year <i>12-31-2019</i>	17.19	27.09	25.25	30.47	0.00	0.00
Start of Water Year <i>09-29-2020</i>	0.00	0.38	6.42	5.94	74.45	12.80
One Year Ago <i>12-03-2019</i>	15.50	22.47	30.13	31.90	0.00	0.00

December 1, 2020

(Released Thursday, Dec. 3, 2020)

Valid 7 a.m. EDT



Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought



droughtmonitor.unl.edu

Price and Agriculture Market Report

U.S. Beef Exports

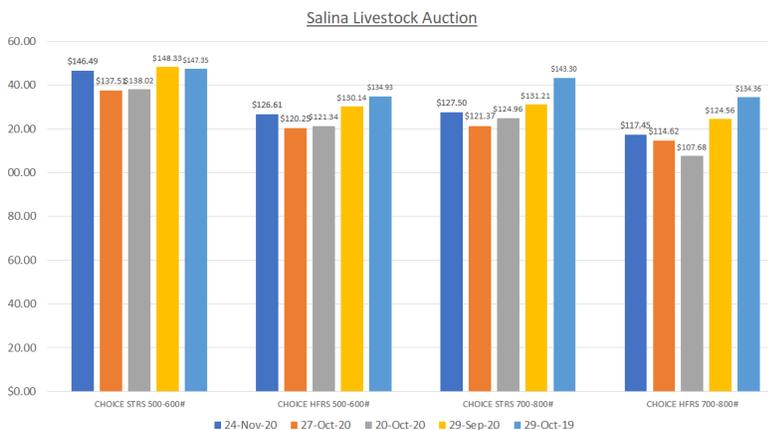
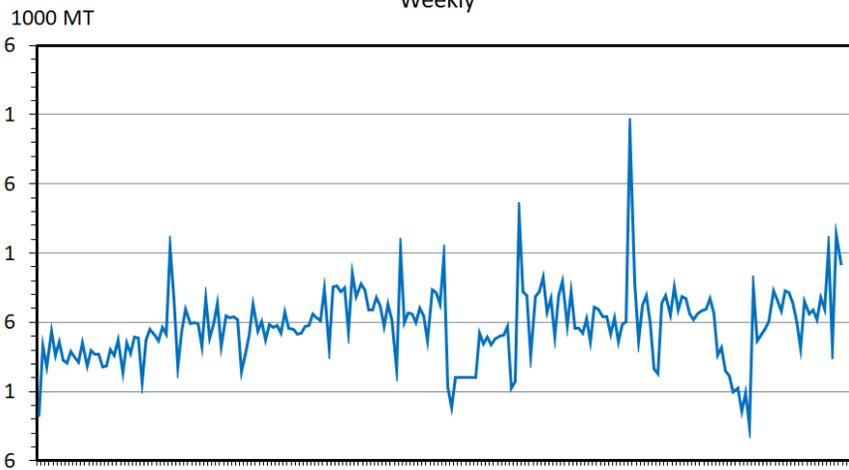
Beef exports are a key demand driver. U.S. beef export levels have recovered from the impact of Covid-19 that bottomed out during the first part of the summer months. Since recovering, U.S. beef exports have trended upward. This upward trend has been driven mainly by increased beef exports to Mexico.

Market Prices

March 2021 feeder futures have been volatile over the past month and a half. They bottomed out mid October at \$125 and have since returned to \$139.33 as of December 3, 2020. The past five year average for March feeder futures contracts has been \$142 indicating that current futures prices are below the average. In the cash market, Salina livestock auction prices showed the same pattern. Cash prices had dropped almost \$10/cwt since the end of September for both steers and heifers. Choice steers 500-600 lbs had dropped from \$148.33/cwt in September to \$137.51 on October 27. November prices have since increased to \$146.49 for steers and \$126.61 for heifers.

Utah hay prices have held steady with dairy quality hay being reported at \$205/ton, good quality hay increased to \$170-\$180 per ton, fair quality hay at \$165/ton, and 3 way at \$155/ton.

TOTAL U.S. EXPORTS OF BEEF MUSCLE CUTS
Weekly



**CONTACT US WITH
QUESTIONS AND COMMENTS**

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