

Forage and Hay Outlook

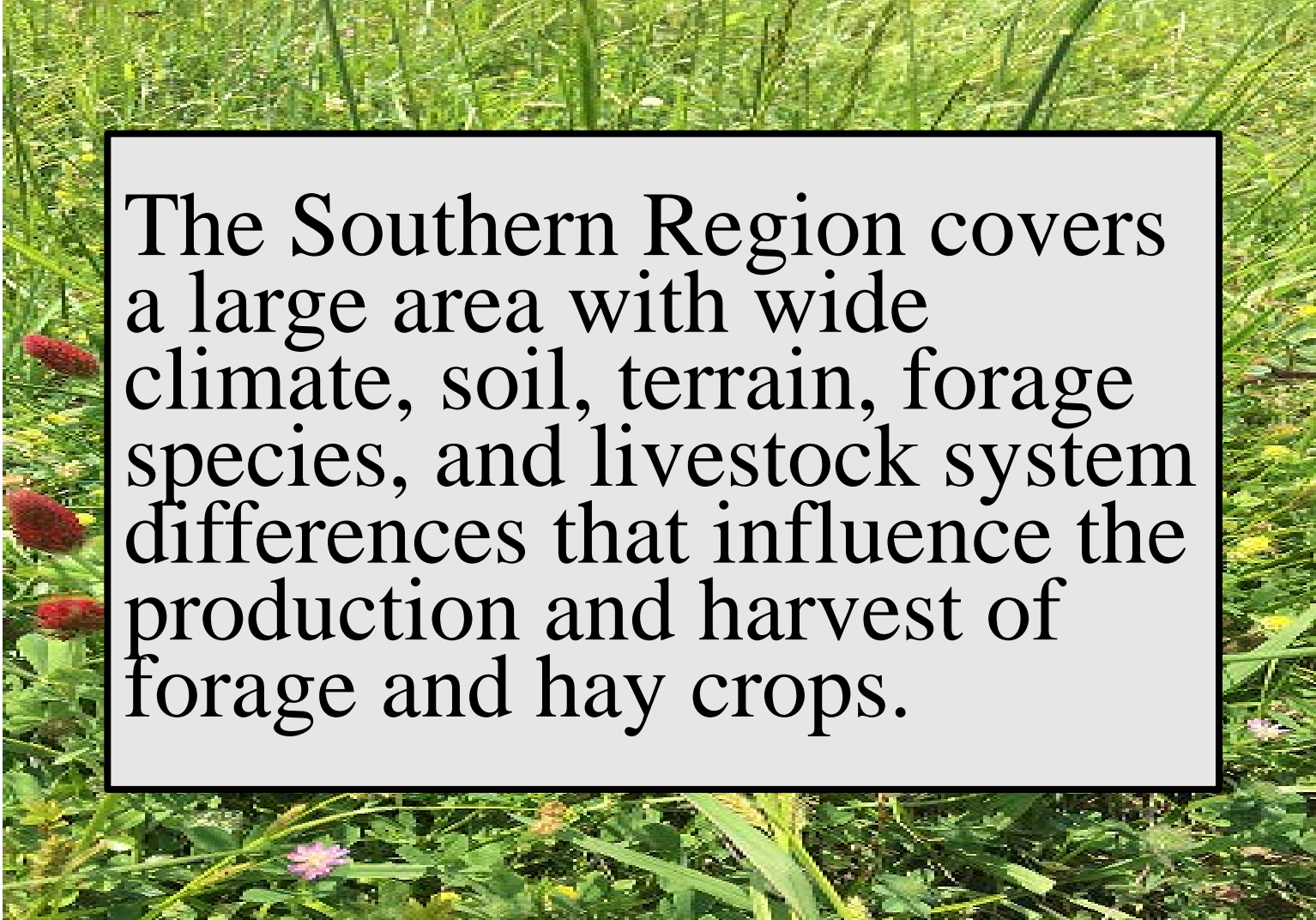
Chris Prevatt

**University of Florida, Extension Economist
Range Cattle Research and Education Center**

2018 Southern Outlook Conference

September 26, 2018

Forage and Hay Outlook

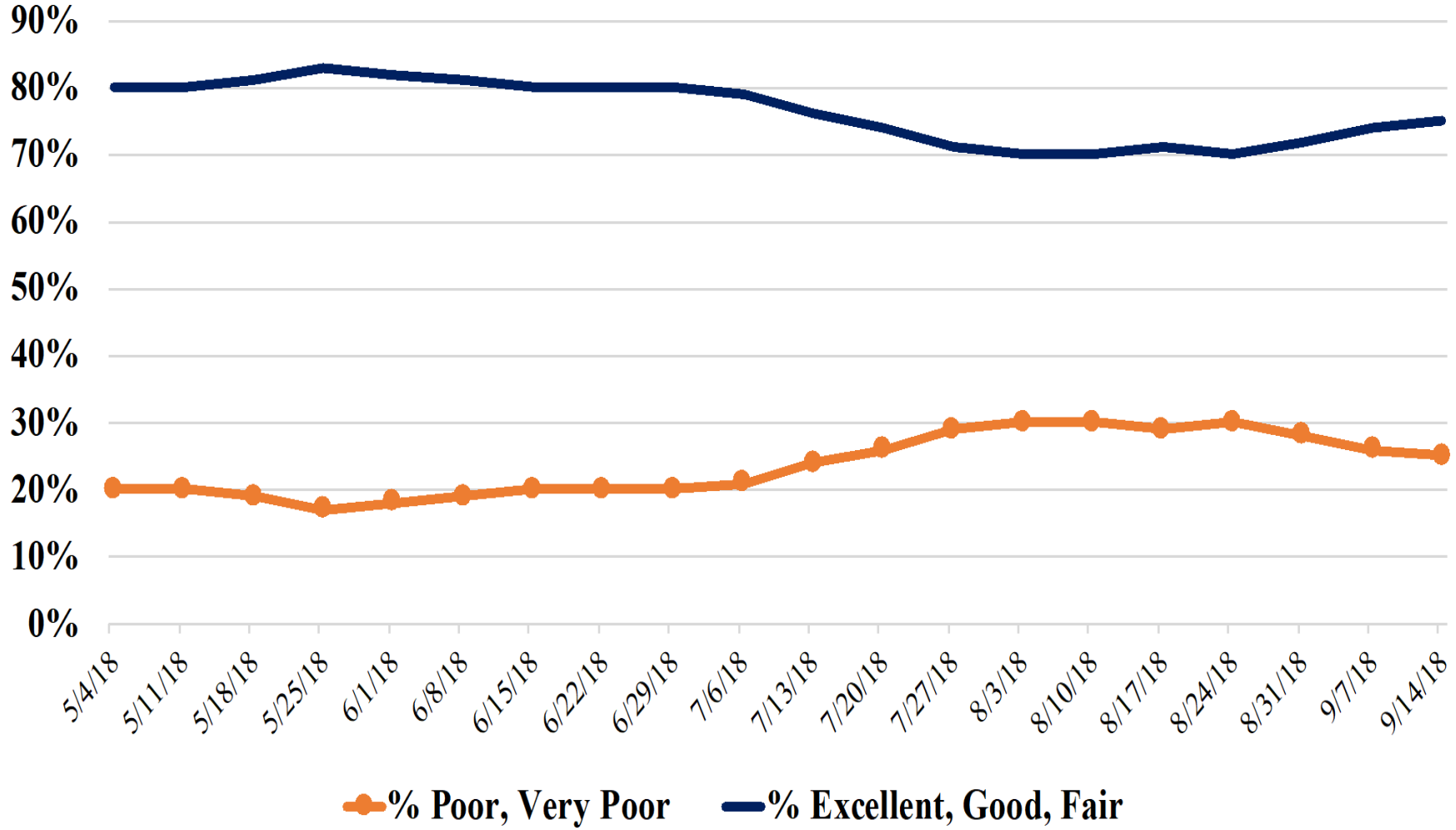


The Southern Region covers a large area with wide climate, soil, terrain, forage species, and livestock system differences that influence the production and harvest of forage and hay crops.

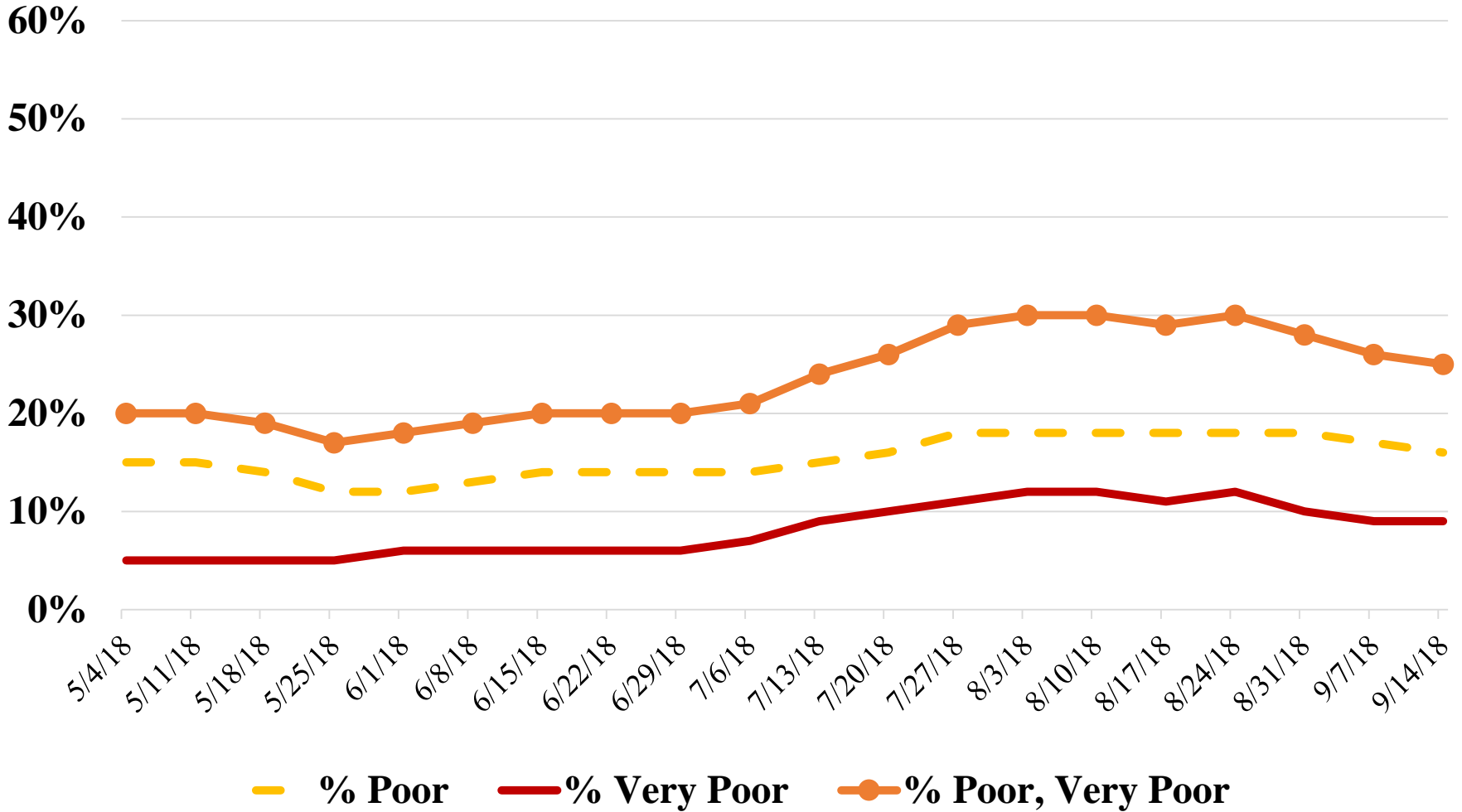
Forage and Hay Outlook

- **U.S. Pasture and Range Conditions**
- Weather Outlook
- U.S. Forage Supply
- Value of Forage Production

2018 U.S. Pasture and Range Conditions by Category



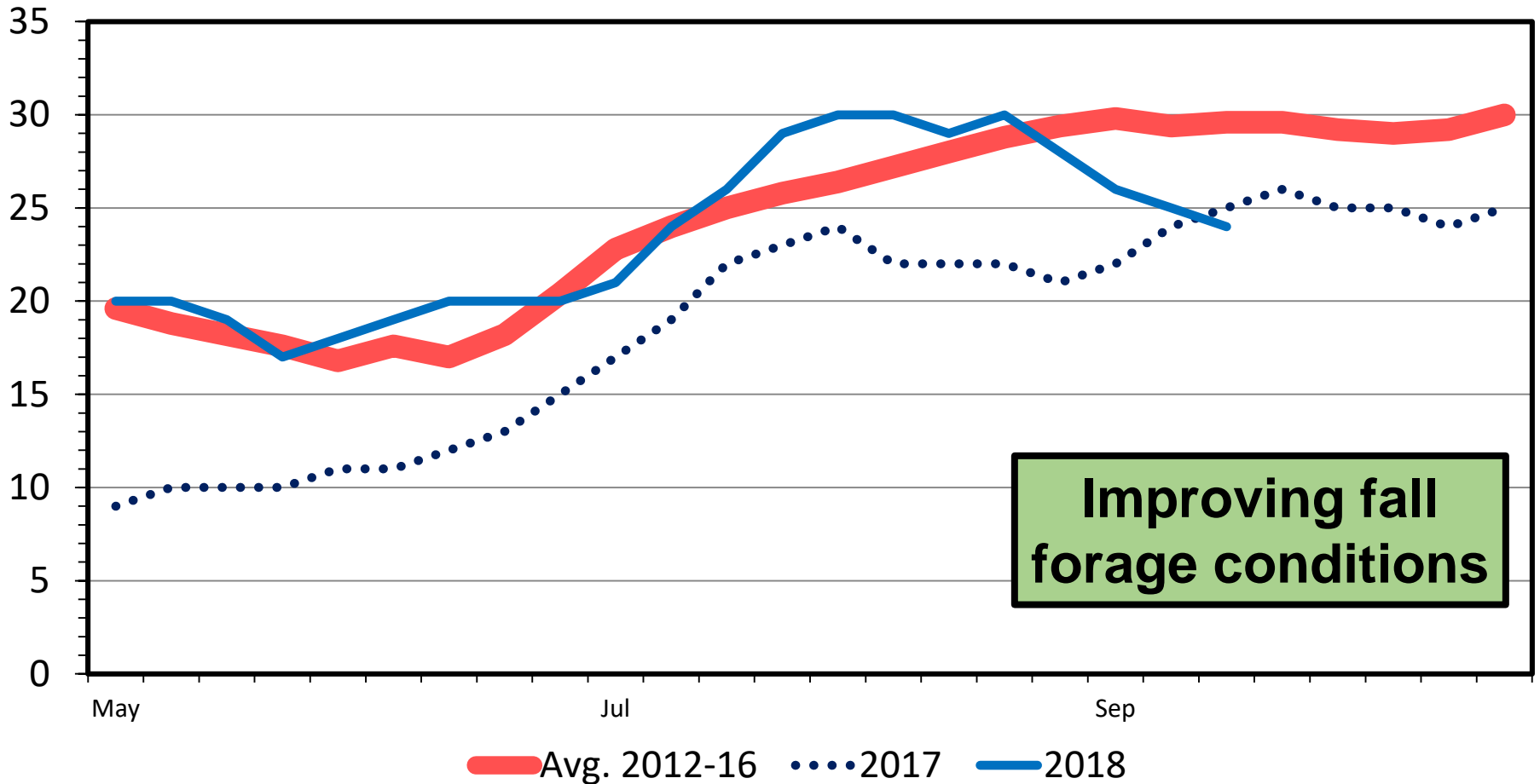
2018 U.S. Pasture and Range Conditions by Category



US RANGE AND PASTURE CONDITION

Percent Poor and Very Poor, Weekly

Percent

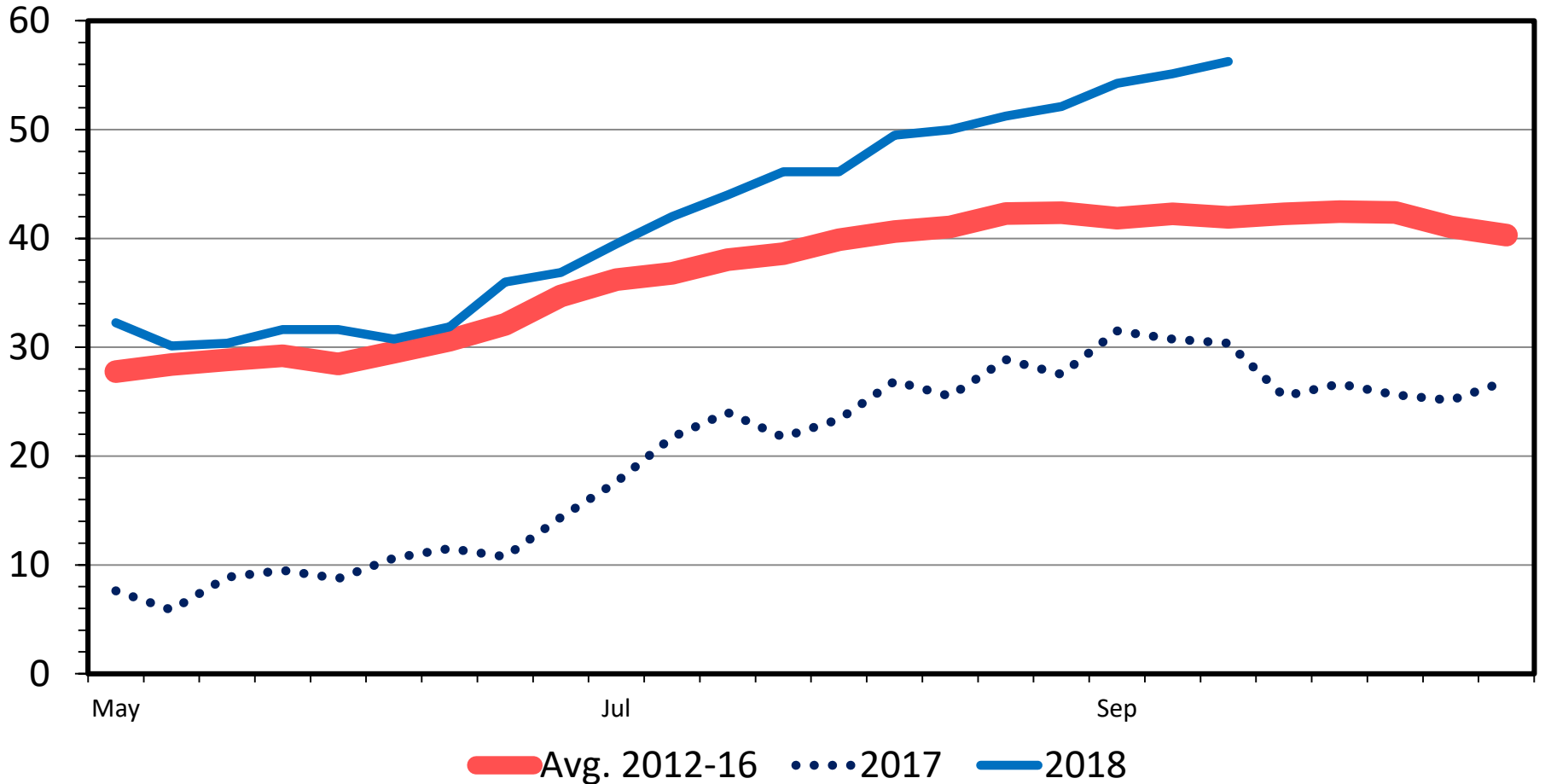


Improving fall forage conditions

WESTERN REGION RANGE AND PASTURE CONDITION

Percent Poor and Very Poor, Weekly

Percent



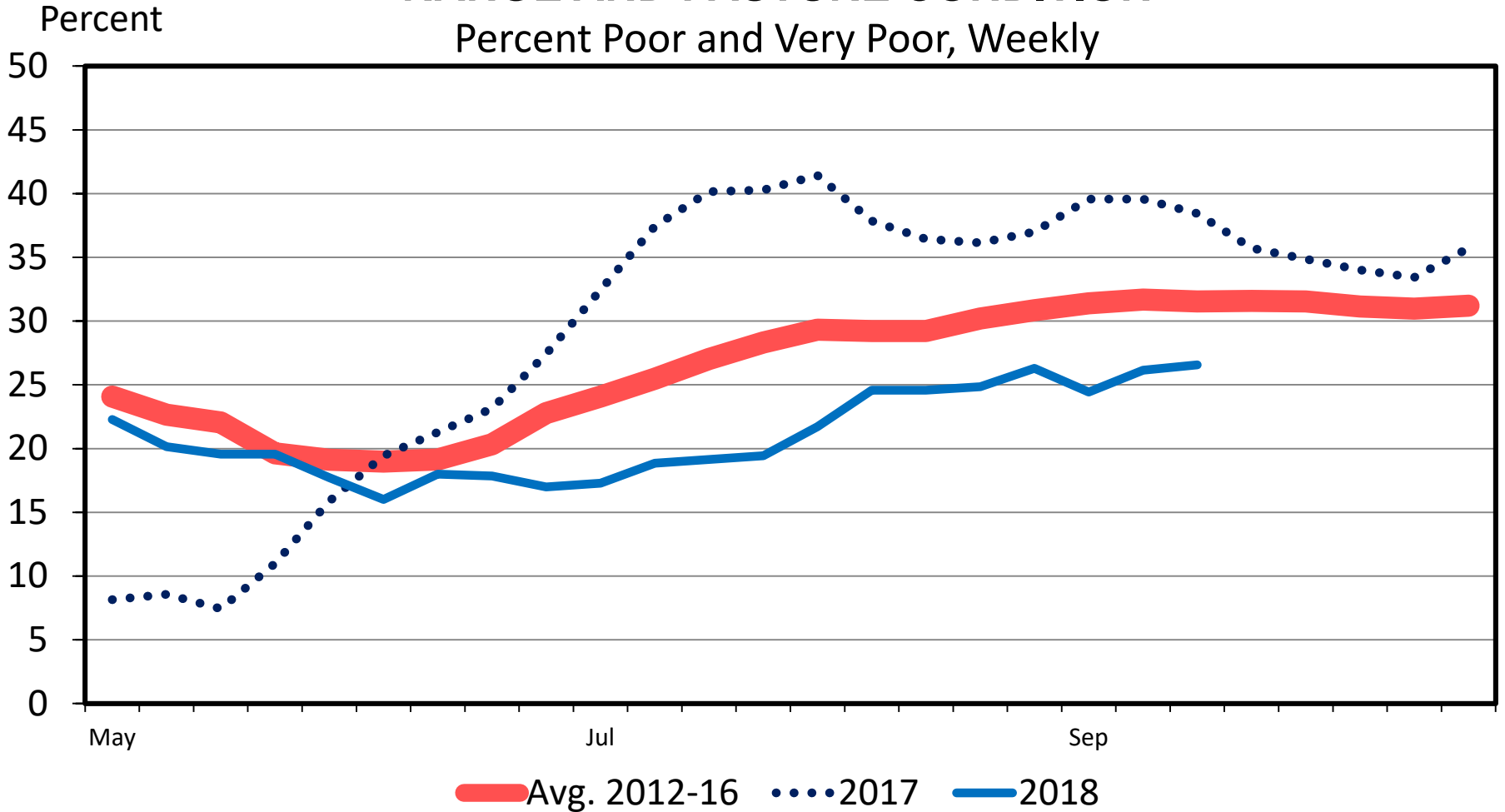
Data Source: USDA-NASS, Compiled & Analysis by LMIC

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G-NP-31
09/24/18

GREAT PLAINS REGION RANGE AND PASTURE CONDITION

Percent Poor and Very Poor, Weekly



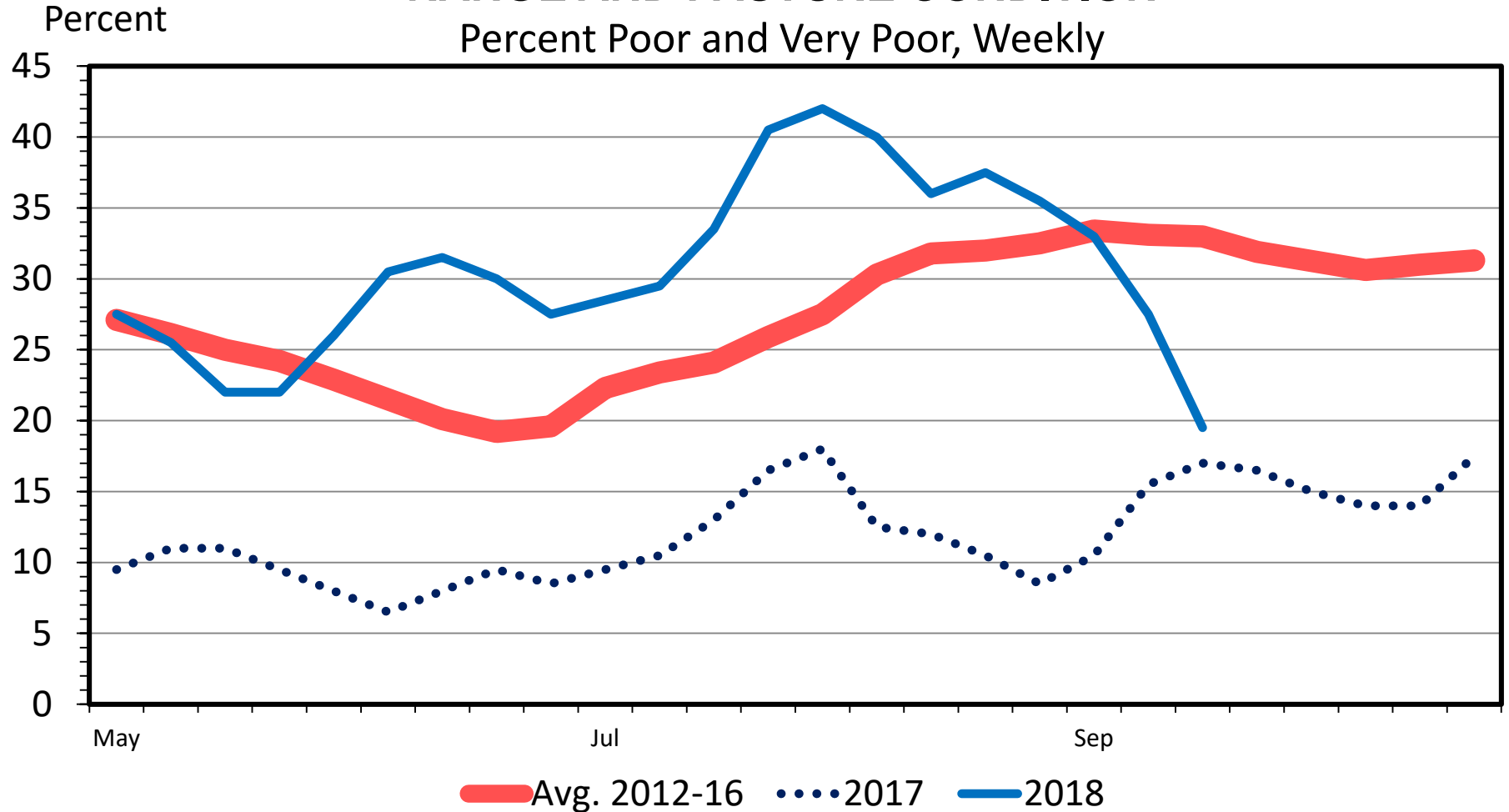
Data Source: USDA-NASS, Compiled & Analysis by LMIC

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G-NP-32
09/24/18

SOUTHERN PLAINS REGION RANGE AND PASTURE CONDITION

Percent Poor and Very Poor, Weekly



Data Source: USDA-NASS, Compiled & Analysis by LMIC

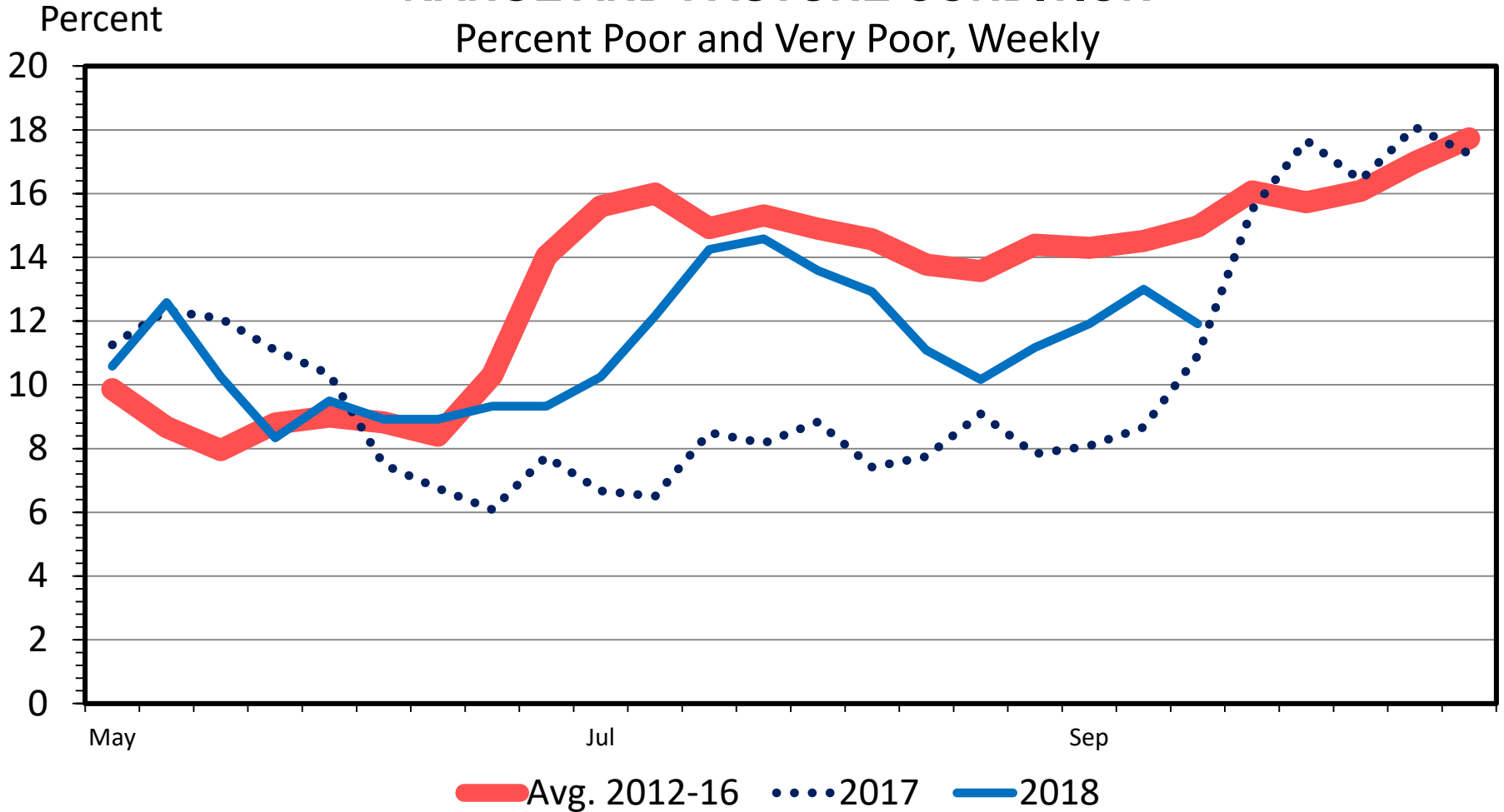
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09/24/18

SOUTHEAST REGION RANGE AND PASTURE CONDITION

Percent Poor and Very Poor, Weekly



Data Source: USDA-NASS, Compiled & Analysis by LMIC

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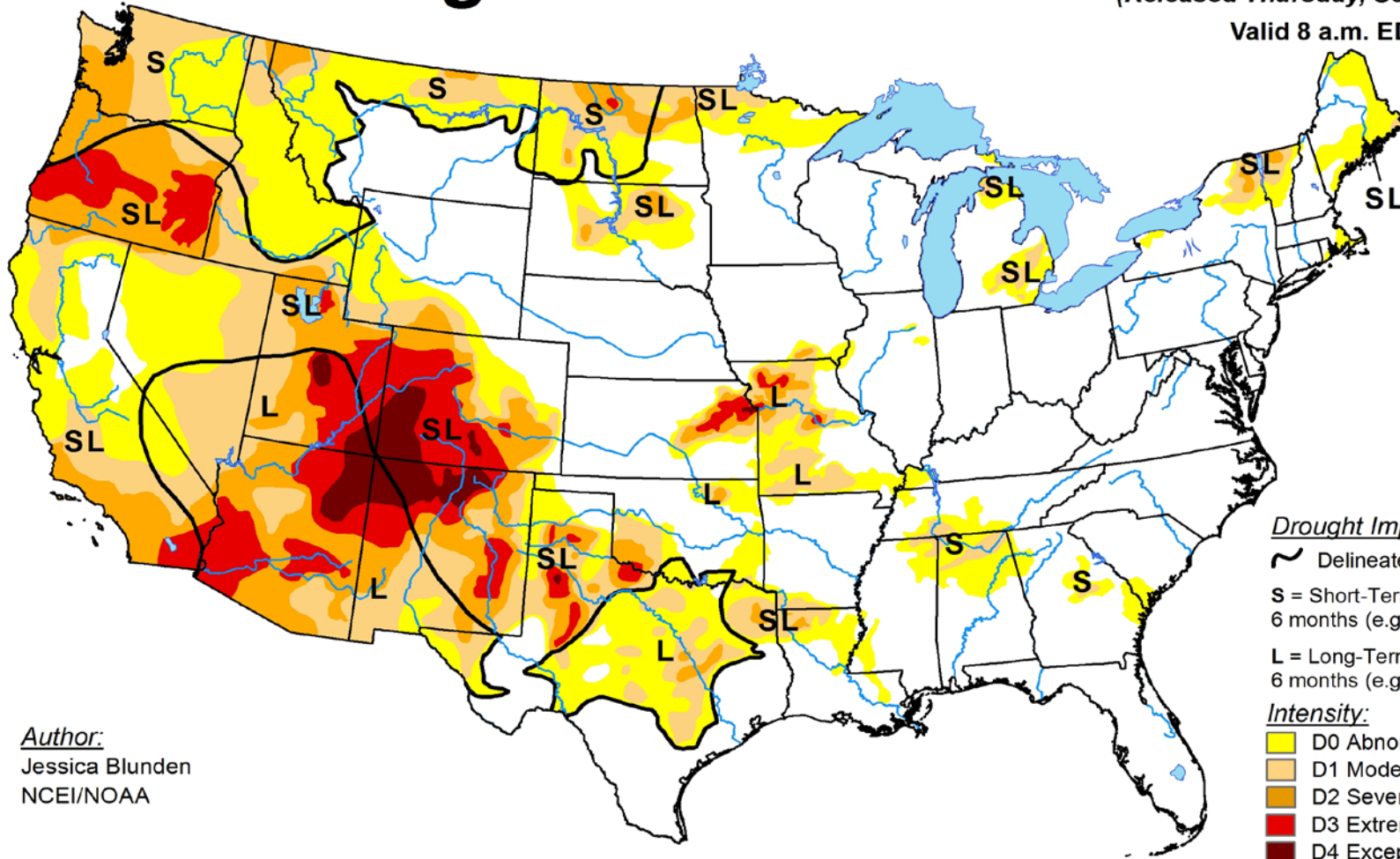
Forage and Hay Outlook

- U.S. Pasture and Range Conditions
- **Weather Outlook**
- U.S. Forage Supply
- Value of Forage Production

U.S. Drought Monitor

September 18, 2018
(Released Thursday, Sep. 20, 2018)

Valid 8 a.m. EDT



Author:
Jessica Blunden
NCEI/NOAA

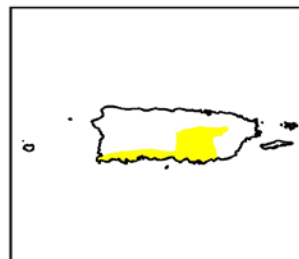
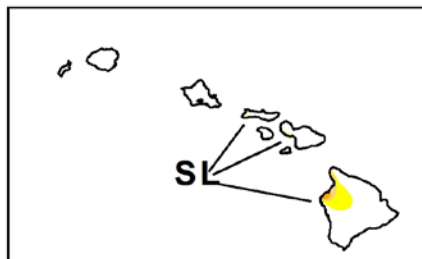
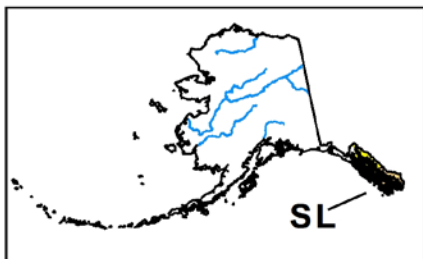
Drought Impact Types:

- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

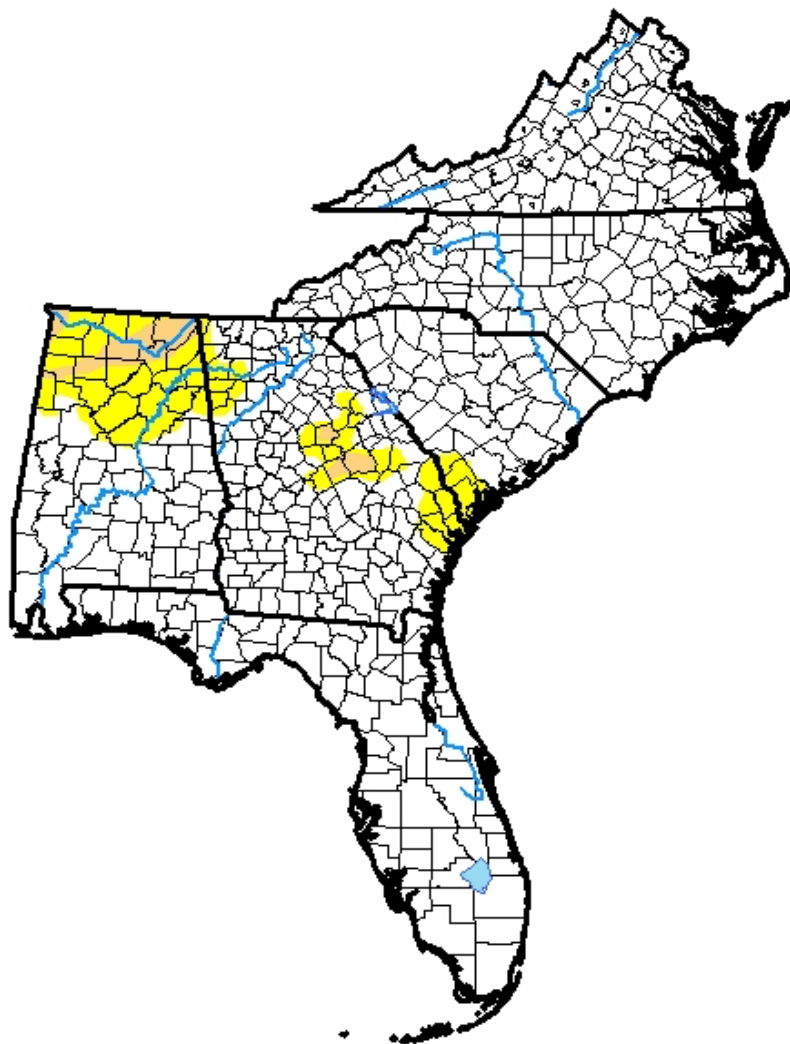
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.



<http://droughtmonitor.unl.edu/>

U.S. Drought Monitor Southeast

September 18, 2018
(Released Thursday, Sep. 20, 2018)
Valid 8 a.m. EDT



Intensity:

-  D0 Abnormally Dry
-  D1 Moderate Drought
-  D2 Severe Drought
-  D3 Extreme Drought
-  D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

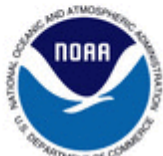
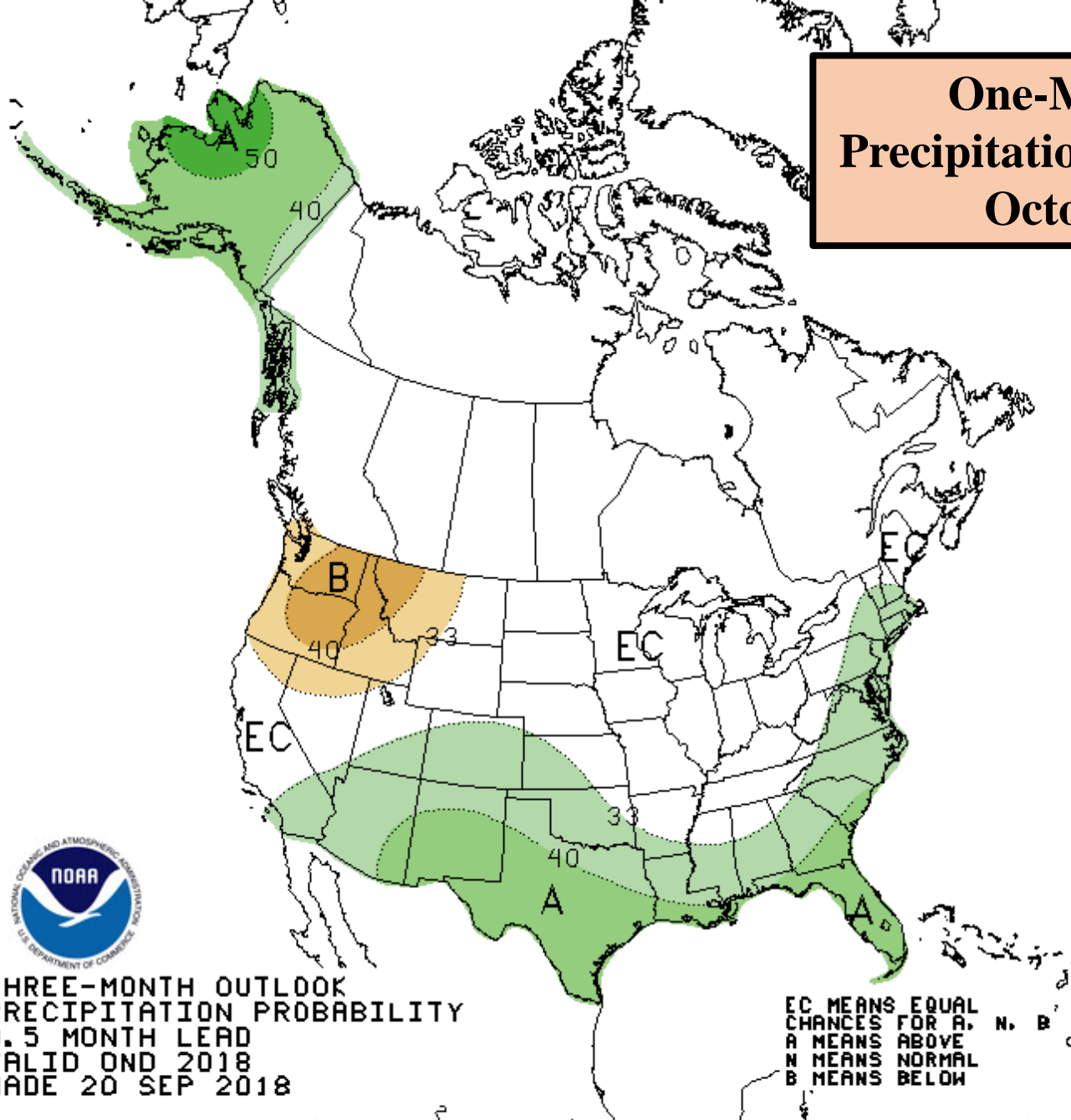
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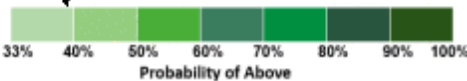
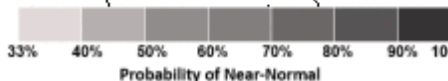
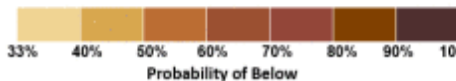
<http://droughtmonitor.unl.edu/>

One-Month Precipitation Outlook, October

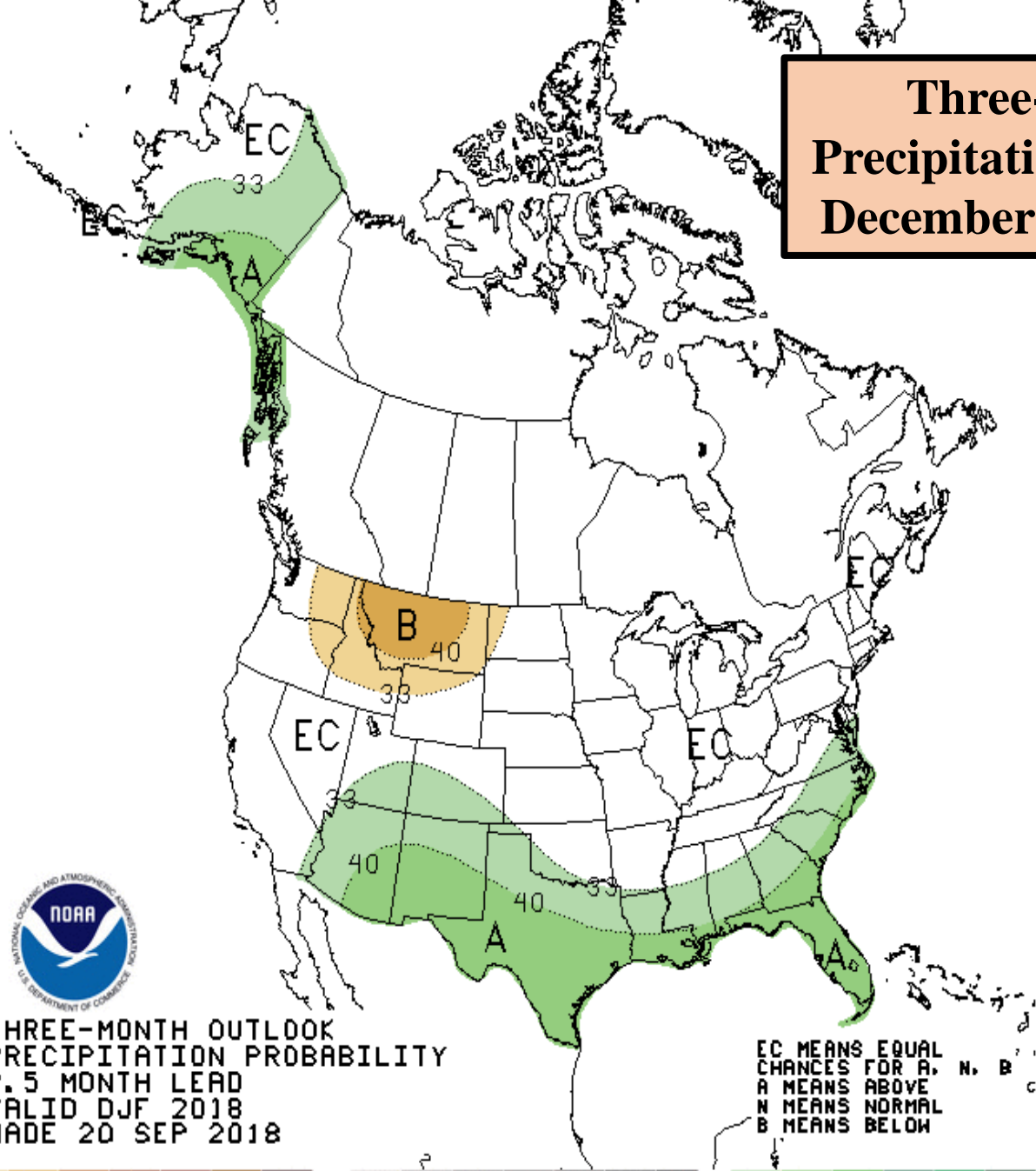


THREE-MONTH OUTLOOK
PRECIPITATION PROBABILITY
0.5 MONTH LEAD
VALID OND 2018
MADE 20 SEP 2018

EC MEANS EQUAL
CHANCES FOR A, N, B
A MEANS ABOVE
N MEANS NORMAL
B MEANS BELOW

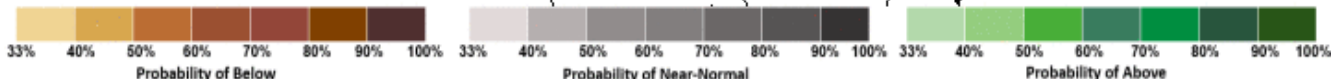


Three-Month Precipitation Outlook, December - February

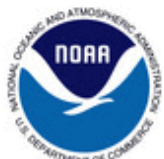
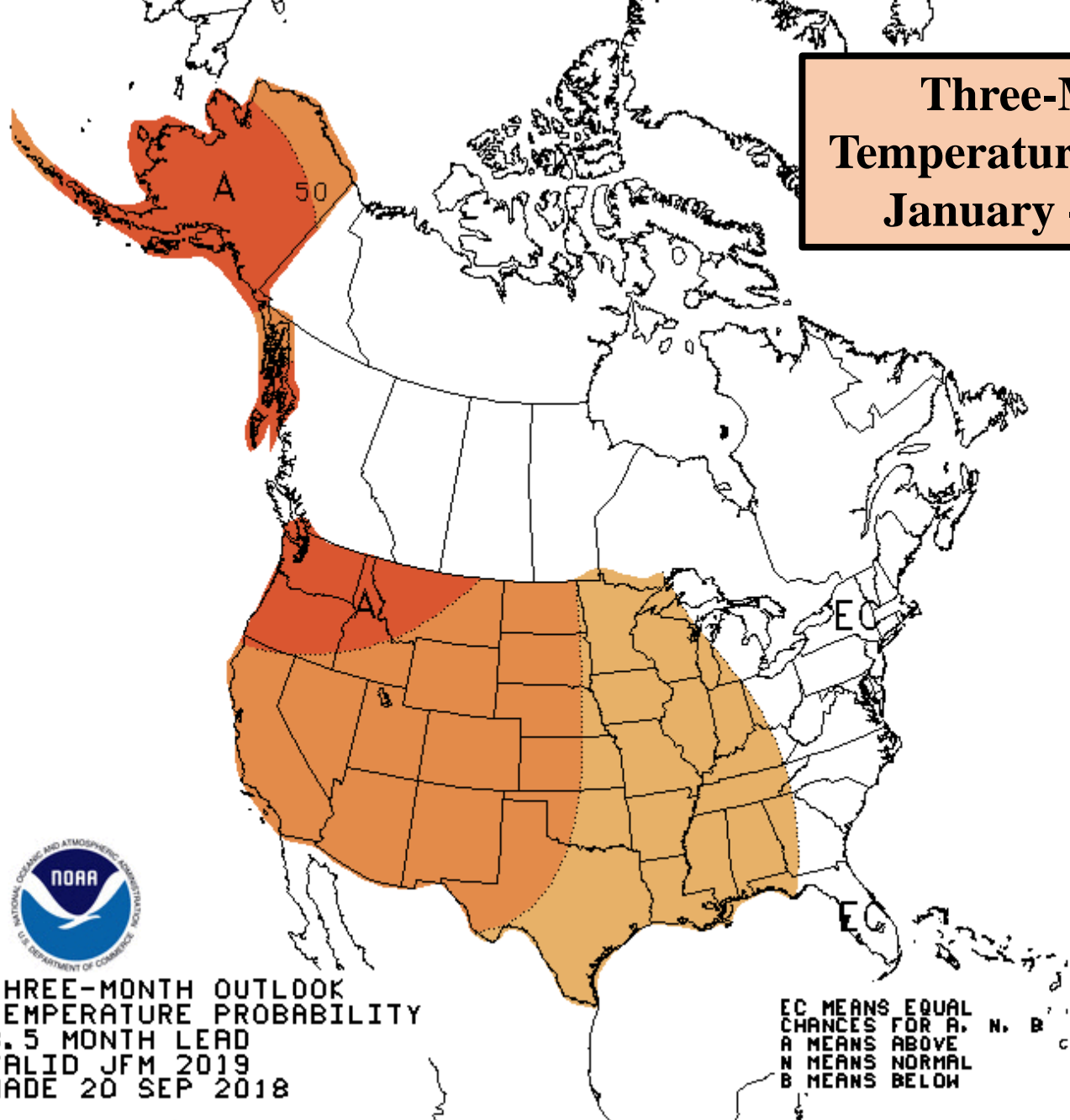


THREE-MONTH OUTLOOK
PRECIPITATION PROBABILITY
2.5 MONTH LEAD
VALID DJF 2018
MADE 20 SEP 2018

EC MEANS EQUAL
CHANCES FOR A, N, B
A MEANS ABOVE
N MEANS NORMAL
B MEANS BELOW



Three-Month Temperature Outlook, January - March

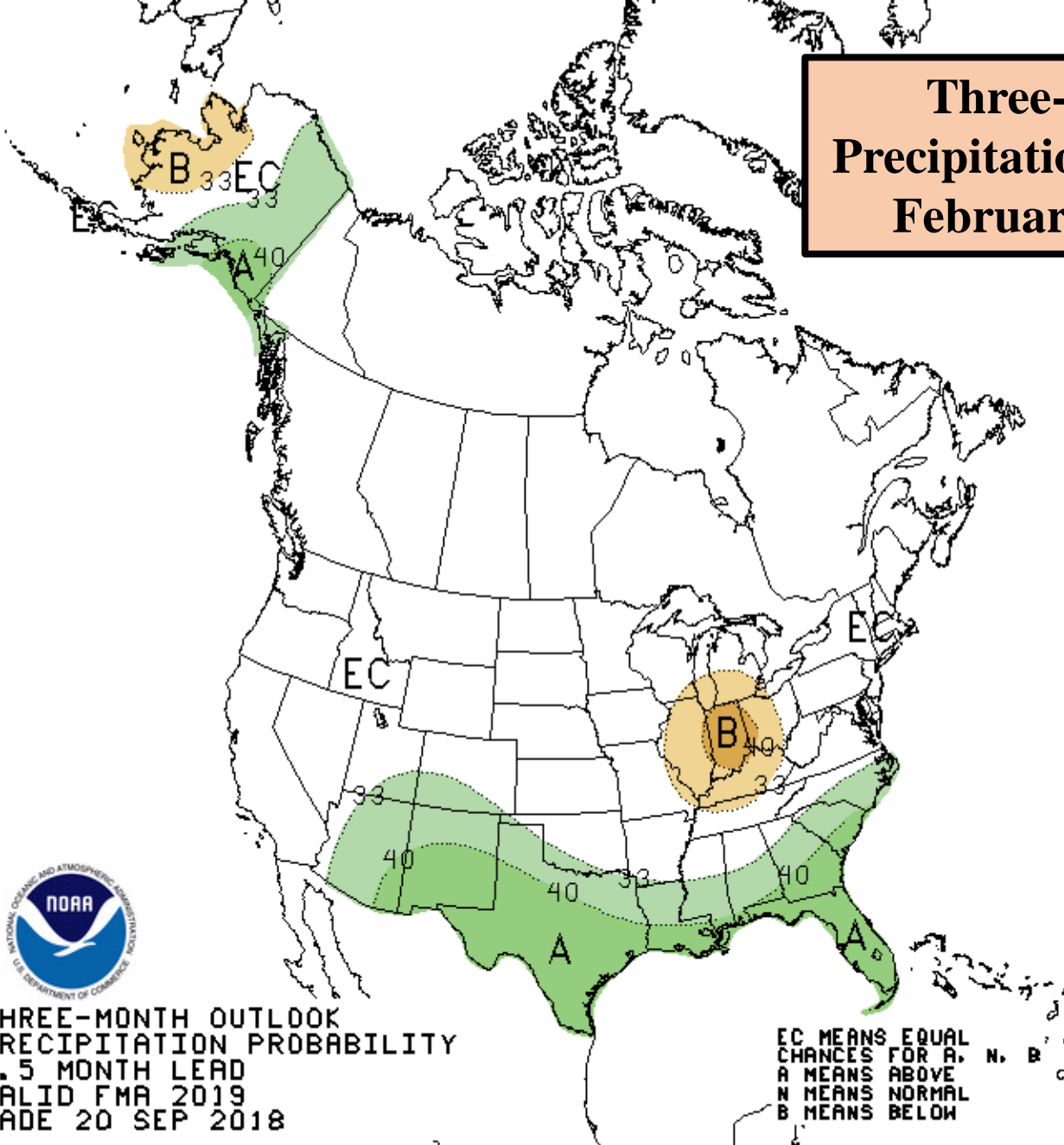


THREE-MONTH OUTLOOK
TEMPERATURE PROBABILITY
3.5 MONTH LEAD
VALID JFM 2019
MADE 20 SEP 2018

EC MEANS EQUAL CHANCES FOR A, N, B
A MEANS ABOVE
N MEANS NORMAL
B MEANS BELOW

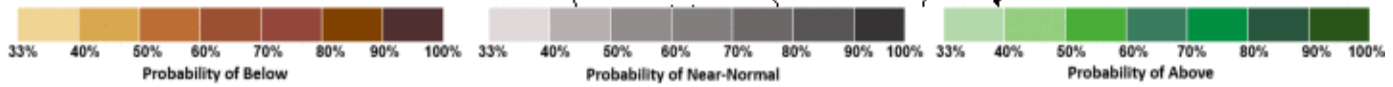


Three-Month Precipitation Outlook, February - April

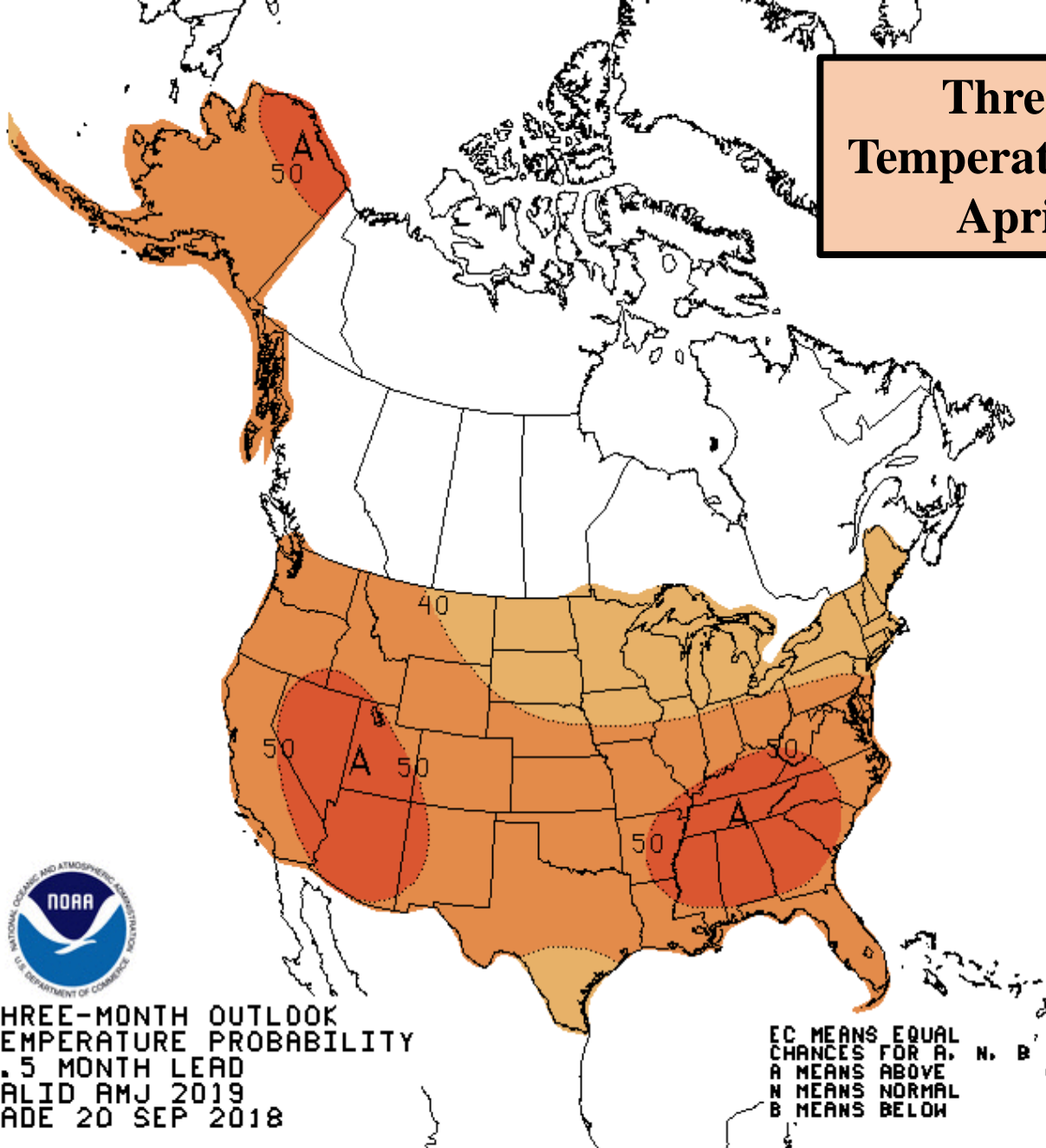


THREE-MONTH OUTLOOK
PRECIPITATION PROBABILITY
4.5 MONTH LEAD
VALID FMA 2019
MADE 20 SEP 2018

EC MEANS EQUAL
CHANCES FOR A, N, B
A MEANS ABOVE
N MEANS NORMAL
B MEANS BELOW

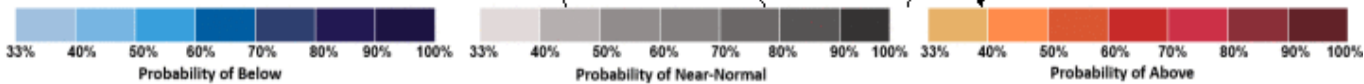


Three-Month Temperature Outlook, April - June

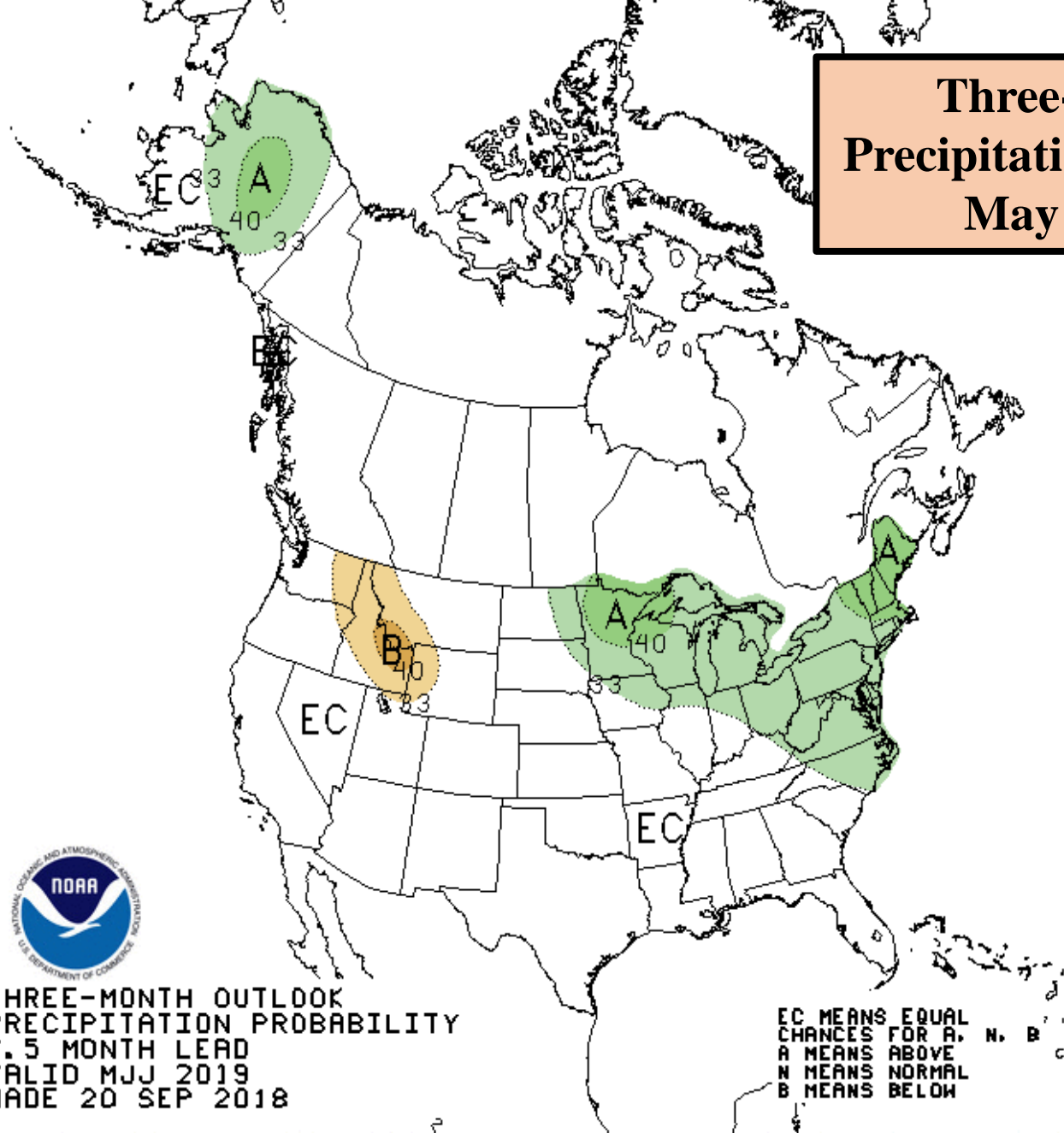


THREE-MONTH OUTLOOK
 TEMPERATURE PROBABILITY
 6.5 MONTH LEAD
 VALID AMJ 2019
 MADE 20 SEP 2018

EC MEANS EQUAL CHANCES FOR A, N, B
 A MEANS ABOVE
 N MEANS NORMAL
 B MEANS BELOW

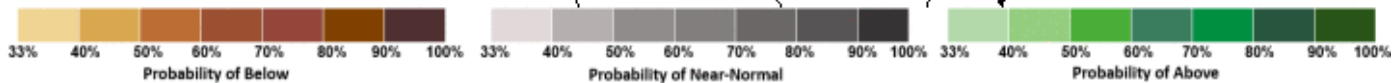


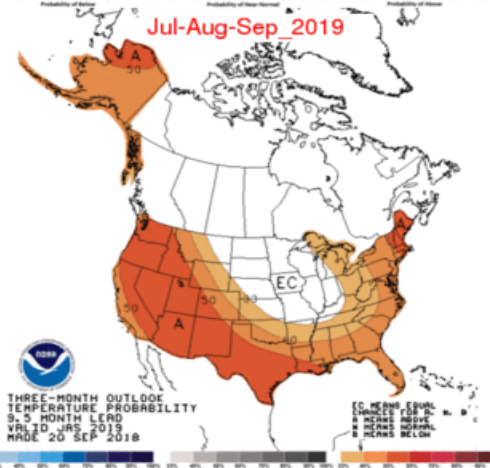
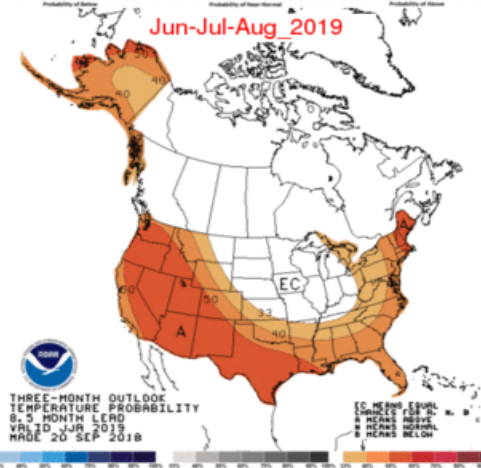
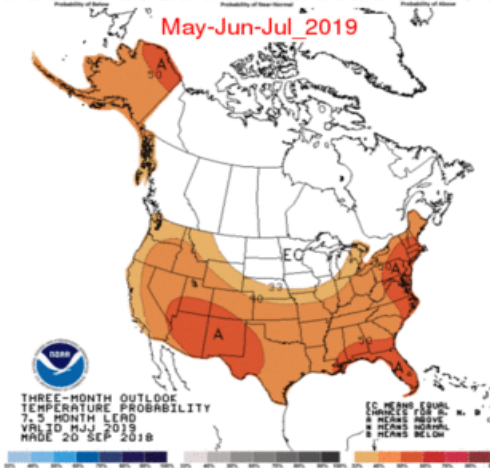
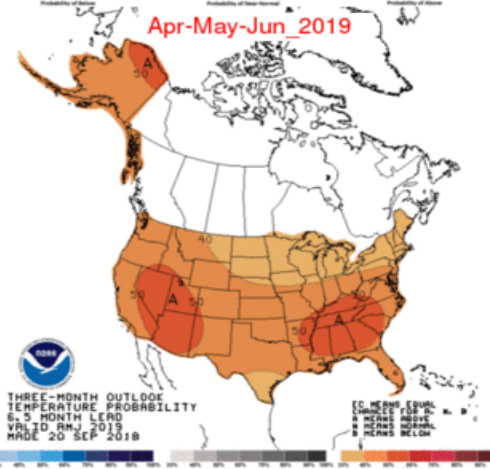
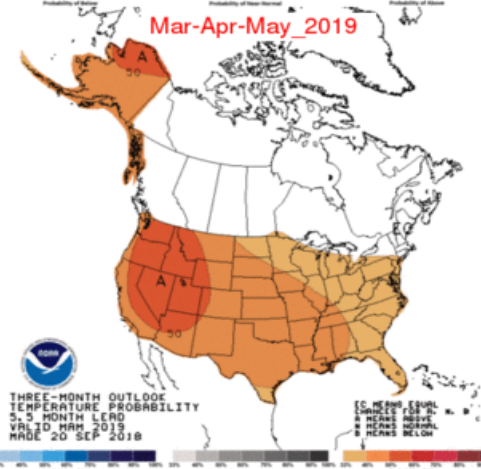
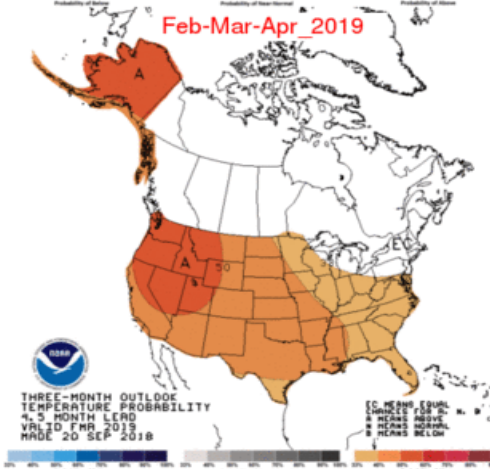
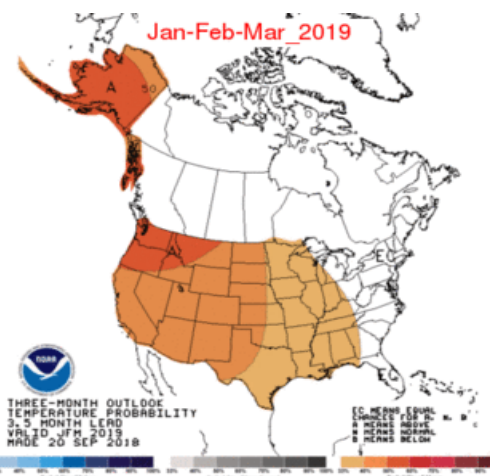
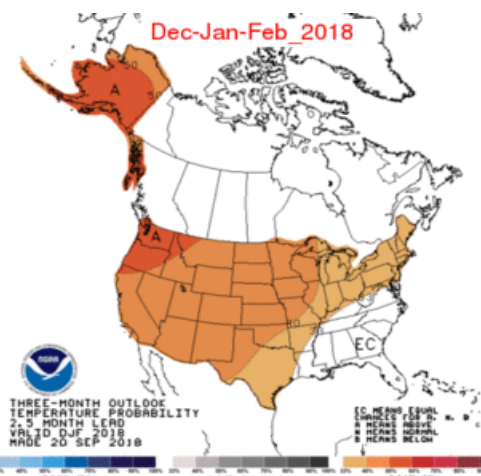
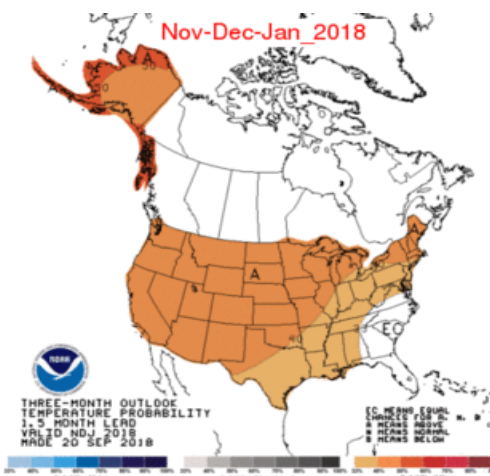
Three-Month Precipitation Outlook, May - July



THREE-MONTH OUTLOOK
PRECIPITATION PROBABILITY
7.5 MONTH LEAD
VALID MJJ 2019
MADE 20 SEP 2018

EC MEANS EQUAL
CHANCES FOR A, N, B
A MEANS ABOVE
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B MEANS BELOW

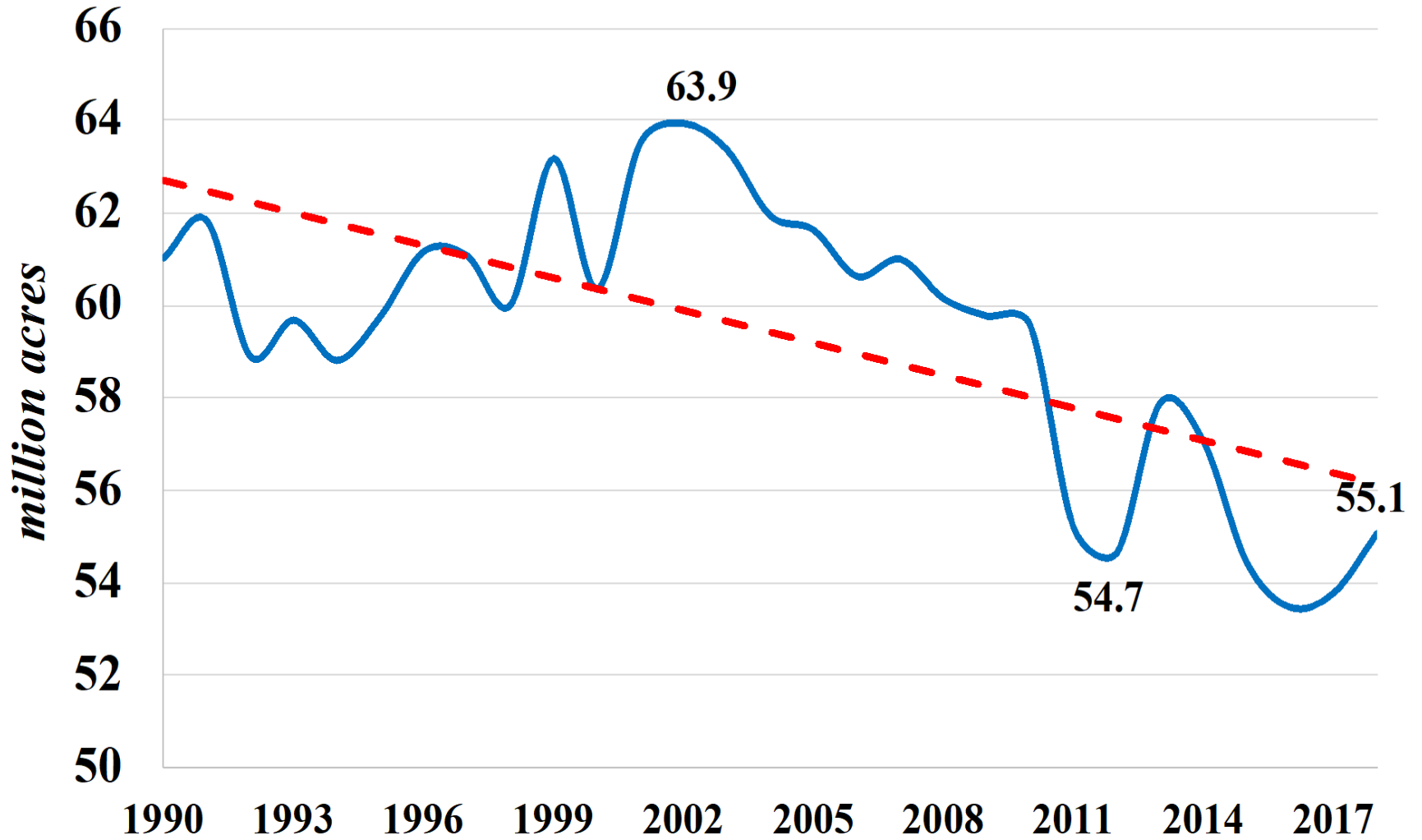




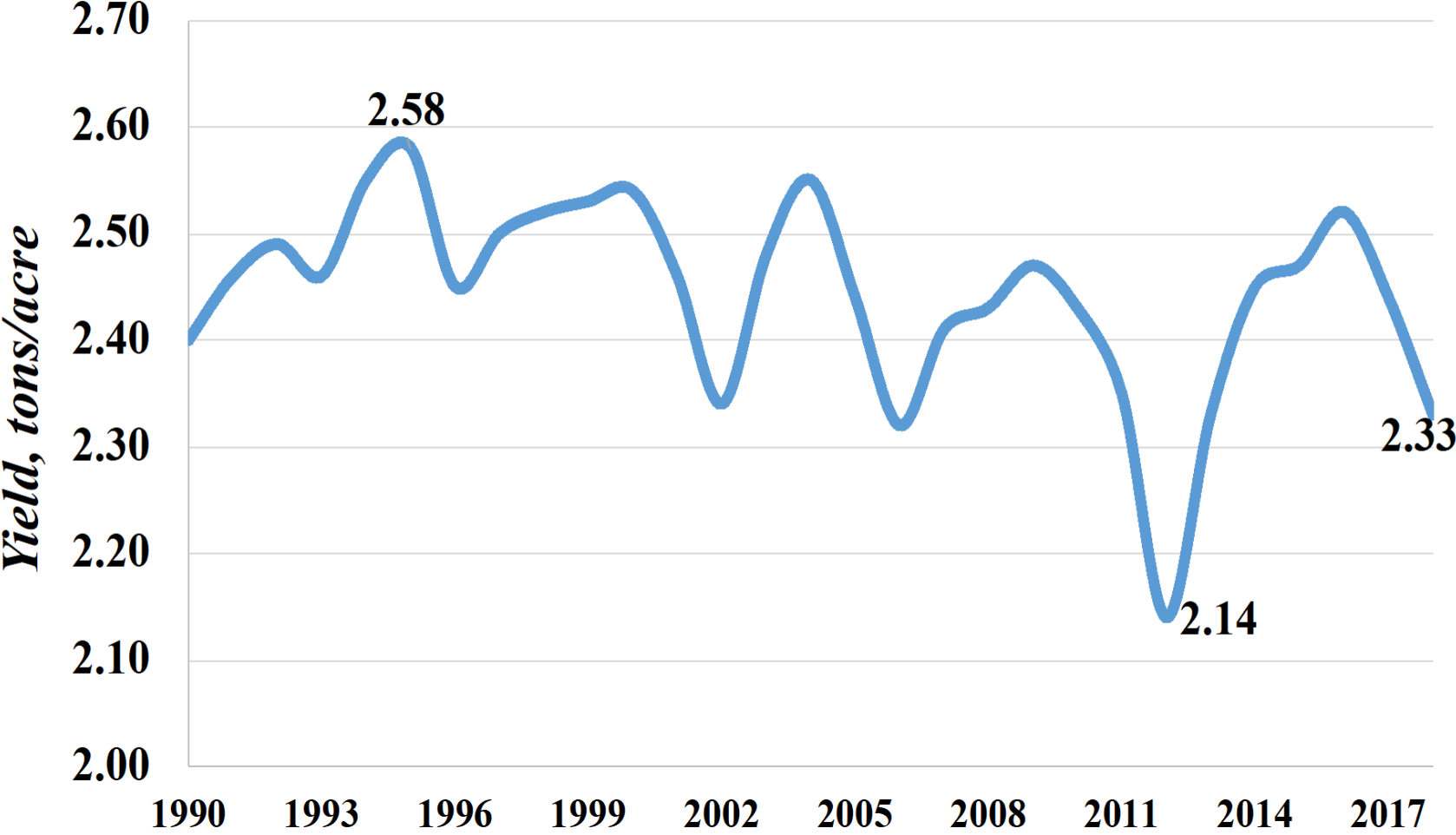
Forage and Hay Outlook

- U.S. Pasture and Range Conditions
- Weather Outlook
- **U.S. Forage Supply**
- Value of Forage Production

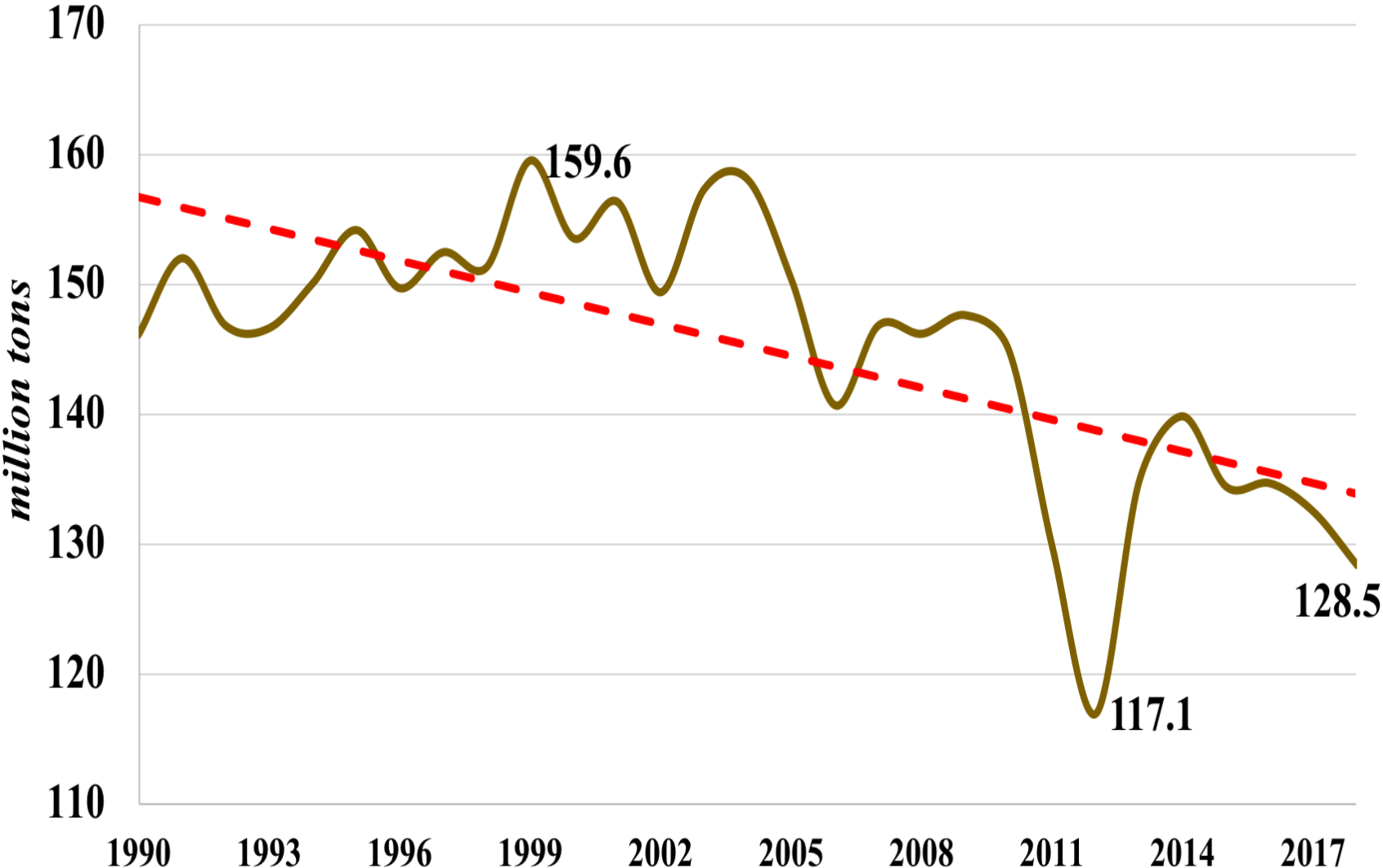
U.S. Hay Acres Harvested, 1990-2018



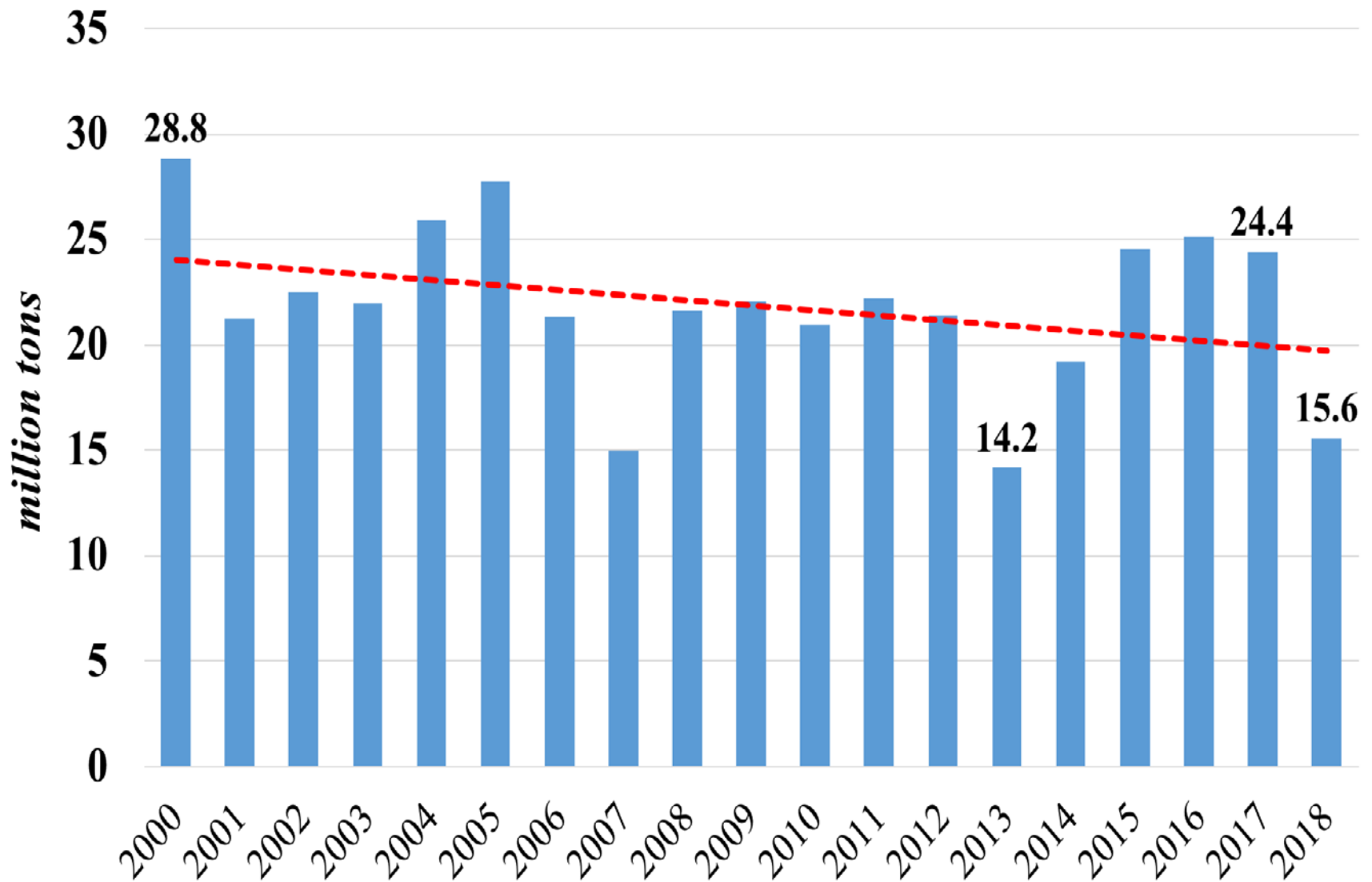
U.S. Hay Yield, 1990-2018



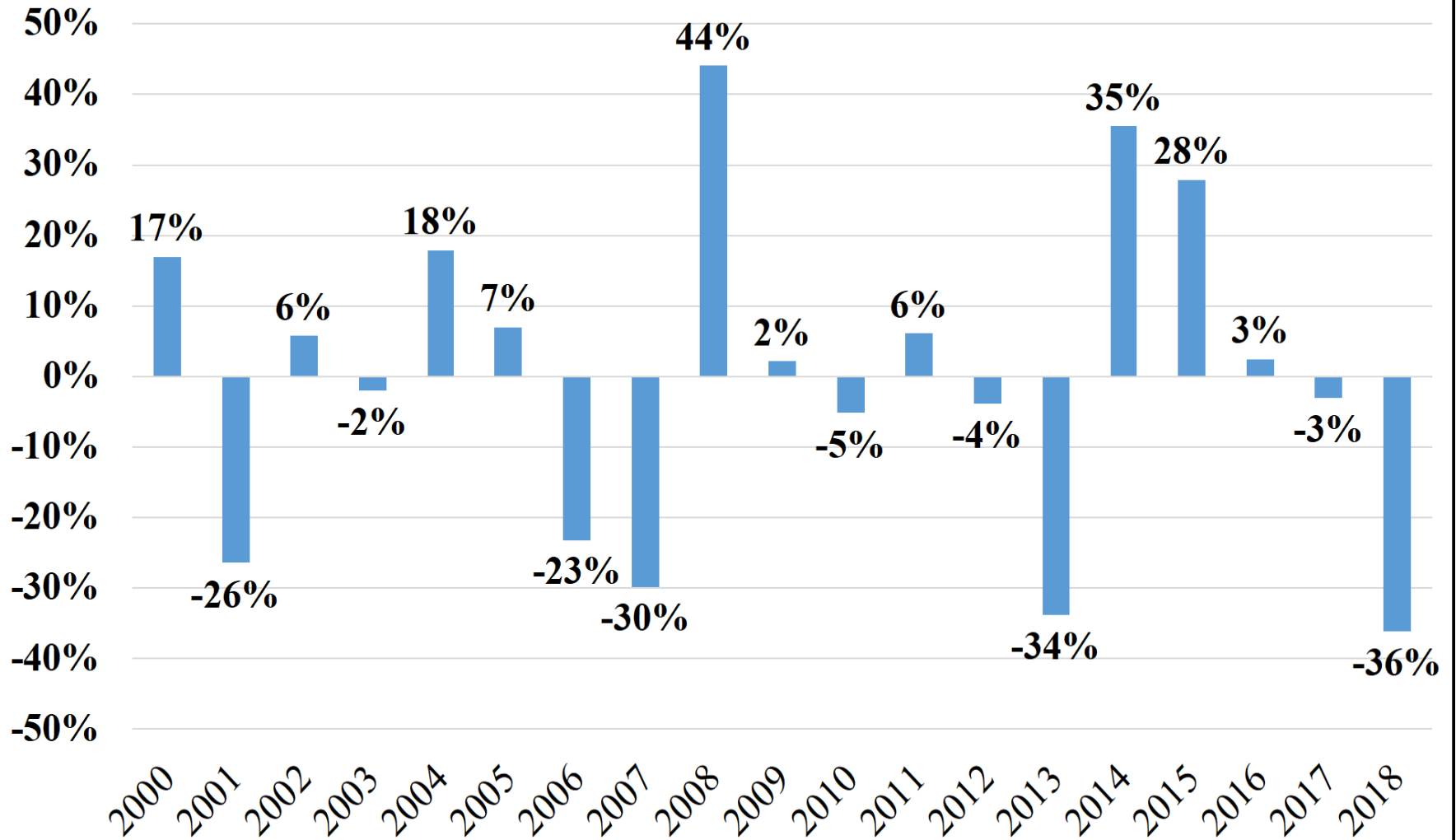
U.S. Hay Production, 1990-2018



U.S. Hay Stocks, May 1, 2000-2018



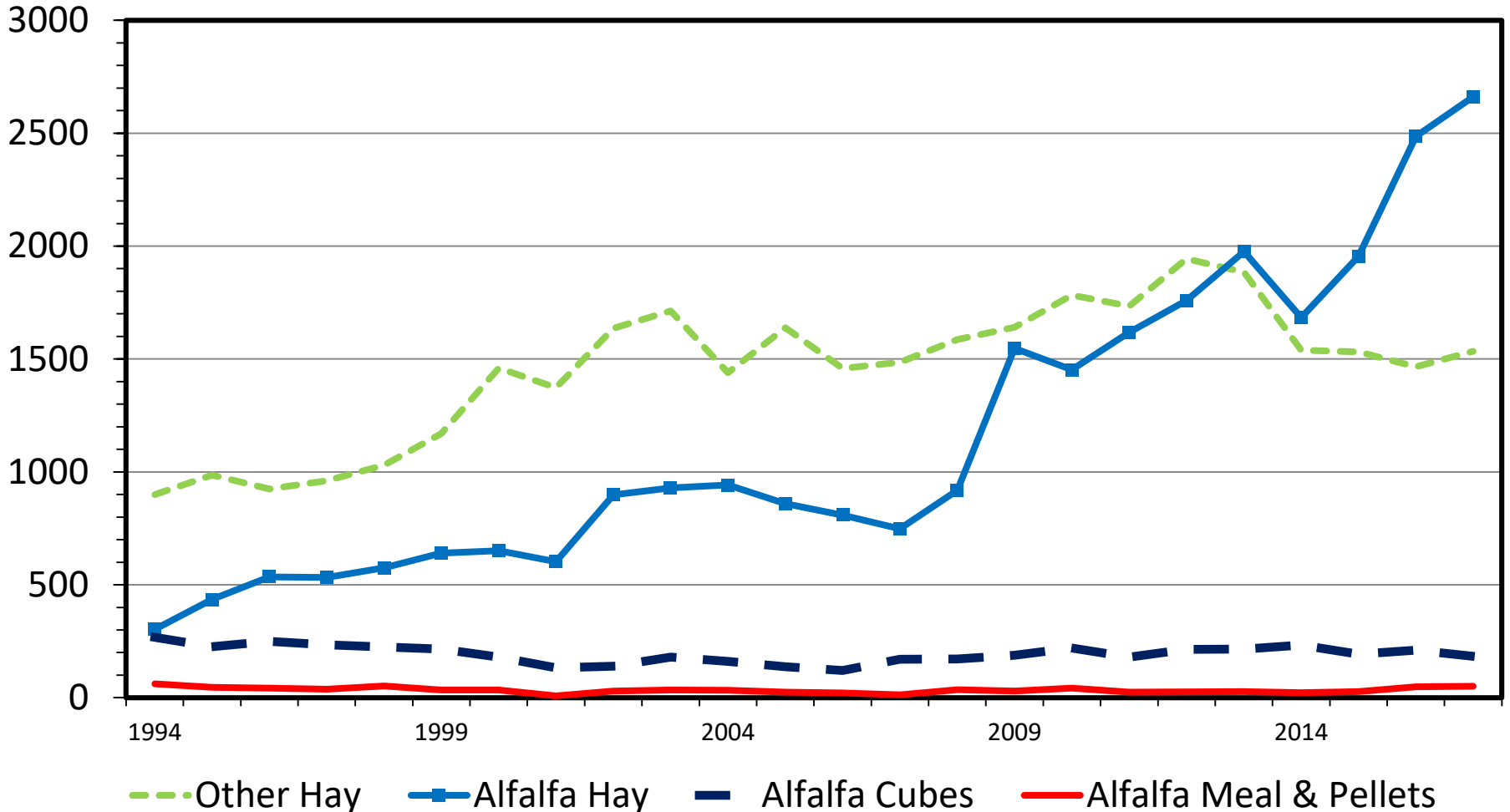
Percentage Change in U.S. Hay Stocks, May 1, 2000-2018



U.S. HAY & HAY PRODUCT EXPORTS

Annual

Thous. Metric Tons



Data Source: USDA-FAS, Compiled & Analysis by LMIC

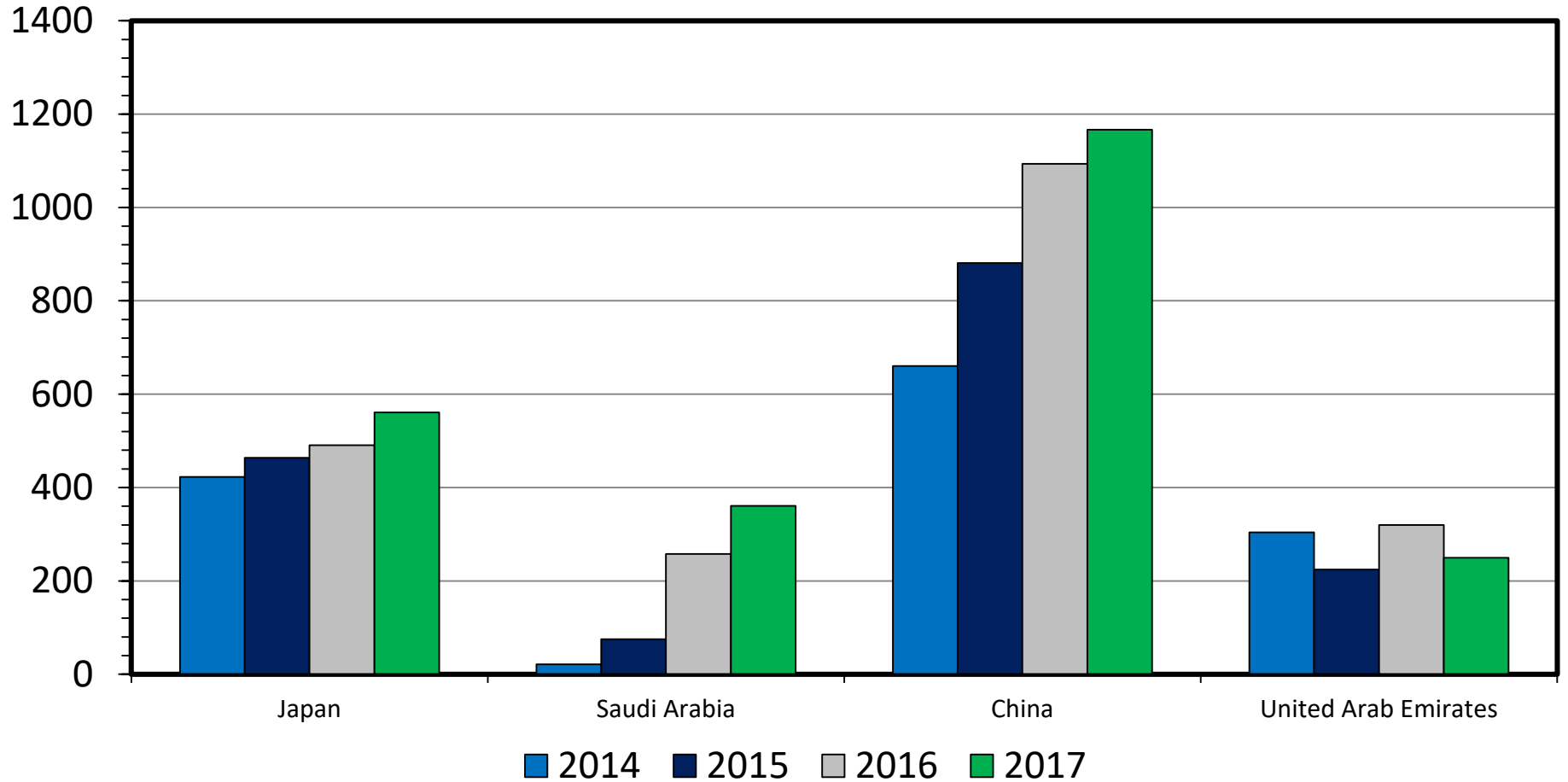
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ALFALFA HAY EXPORTS

Annual

Thous. Metric Tons



Data Source: USDA-FAS, Compiled & Analysis by LMIC

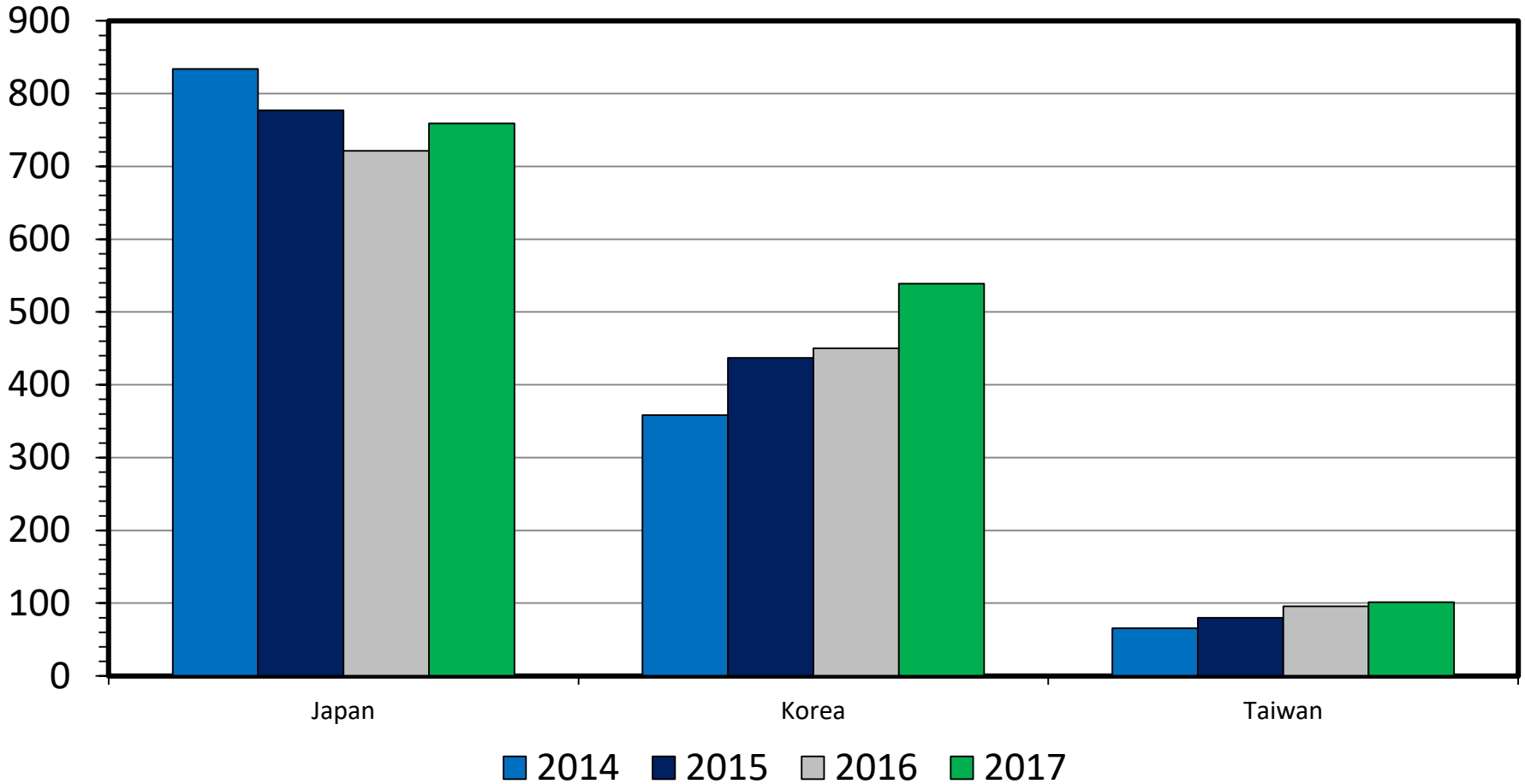
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OTHER HAY EXPORTS

Annual

Thous. Metric Tons



Data Source: USDA-FAS, Compiled & Analysis by LMIC

Livestock Marketing Information Center

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Forage and Hay Outlook

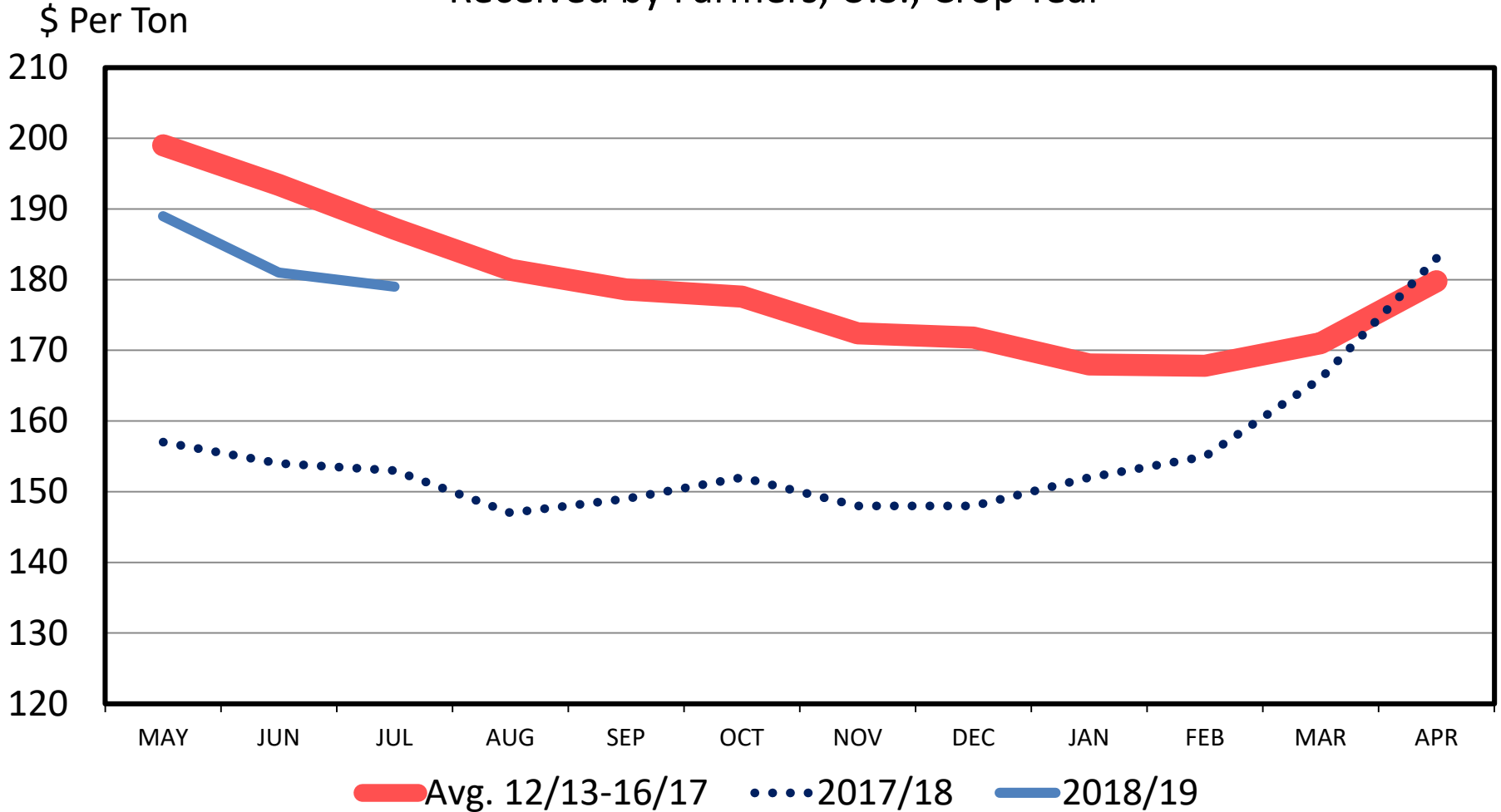
- U.S. Pasture and Range Conditions
- Weather Outlook
- U.S. Forage Supply
- **Value of Forage Production**

Hay, Forage, and Feedstuff Prices



ALFALFA HAY – MONTHLY AVERAGE PRICE

Received by Farmers, U.S., Crop Year



Data Source: USDA-NASS

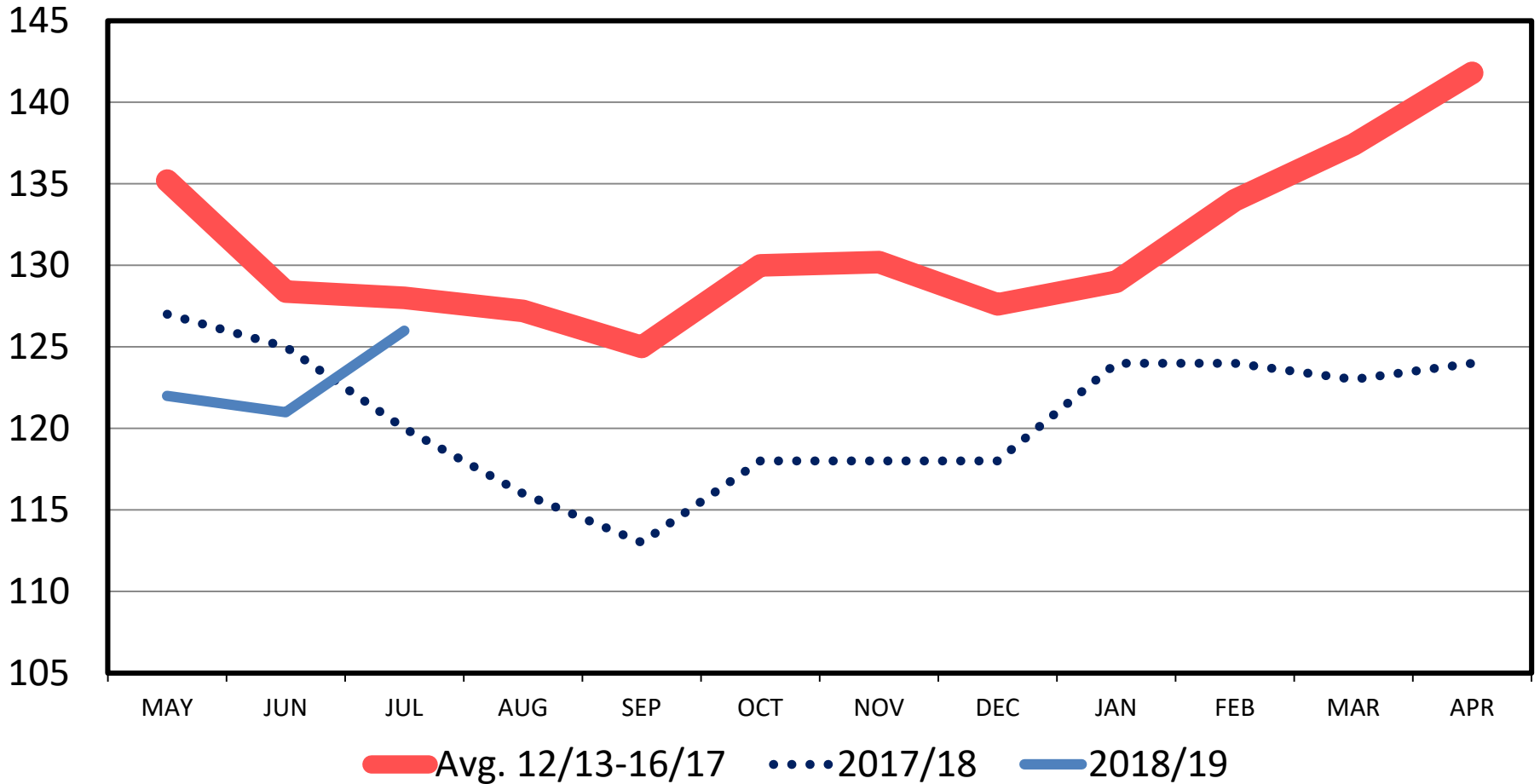
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OTHER HAY – MONTHLY AVERAGE PRICE

Received by Farmers, U.S., Crop Year

\$ Per Ton



Data Source: USDA-NASS

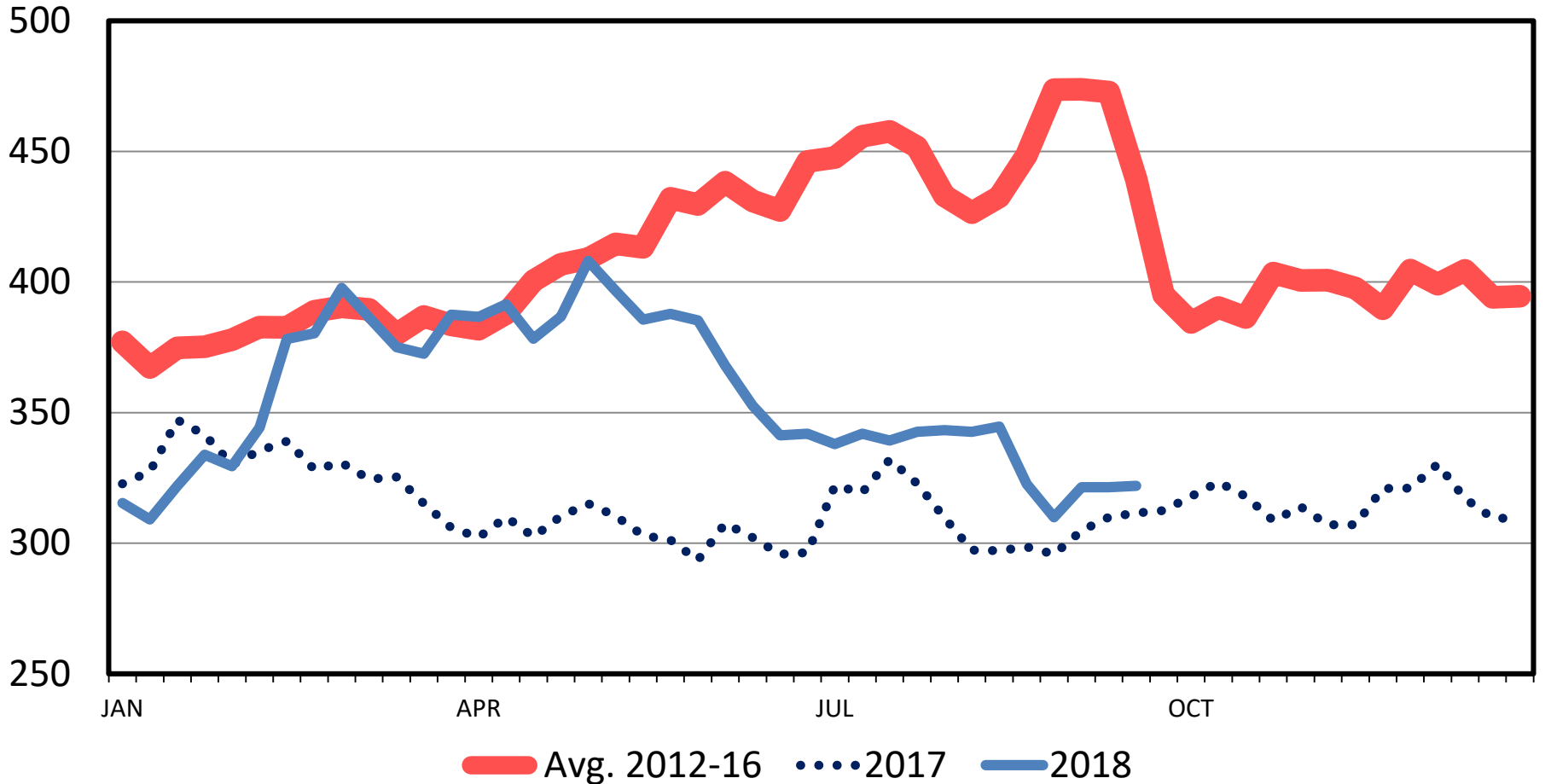
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CENTRAL ILLINOIS SOYBEAN MEAL (48%) PRICES

Weekly

\$ Per Ton



Data Source: USDA-AMS

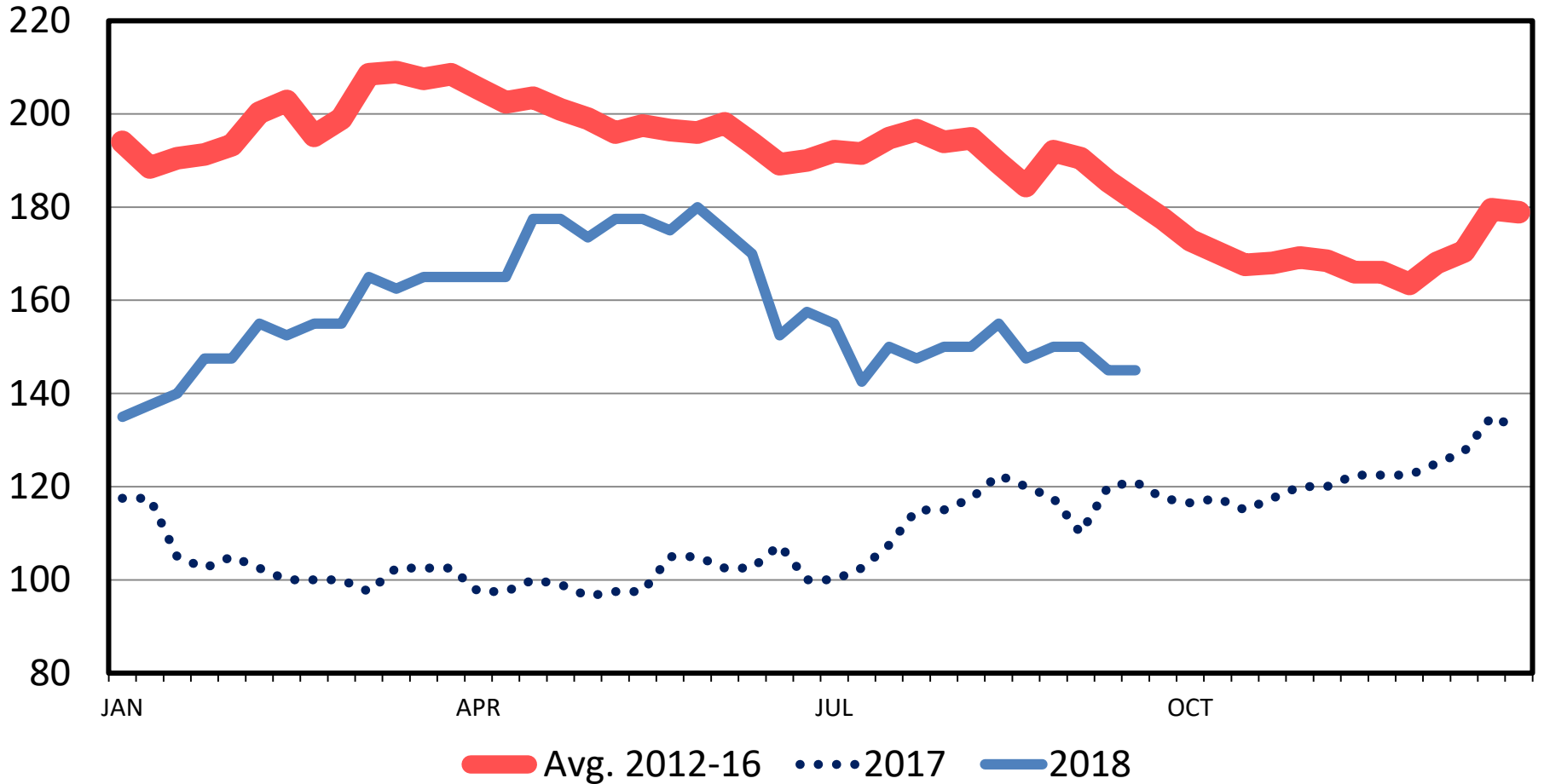
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09/24/18

DISTILLERS DRIED GRAIN PRICES

Chicago, Illinois, Weekly

\$ Per Ton



Data Source: USDA-AMS

Livestock Marketing Information Center

09/24/18

Corn Prices Impact The Value of Forage

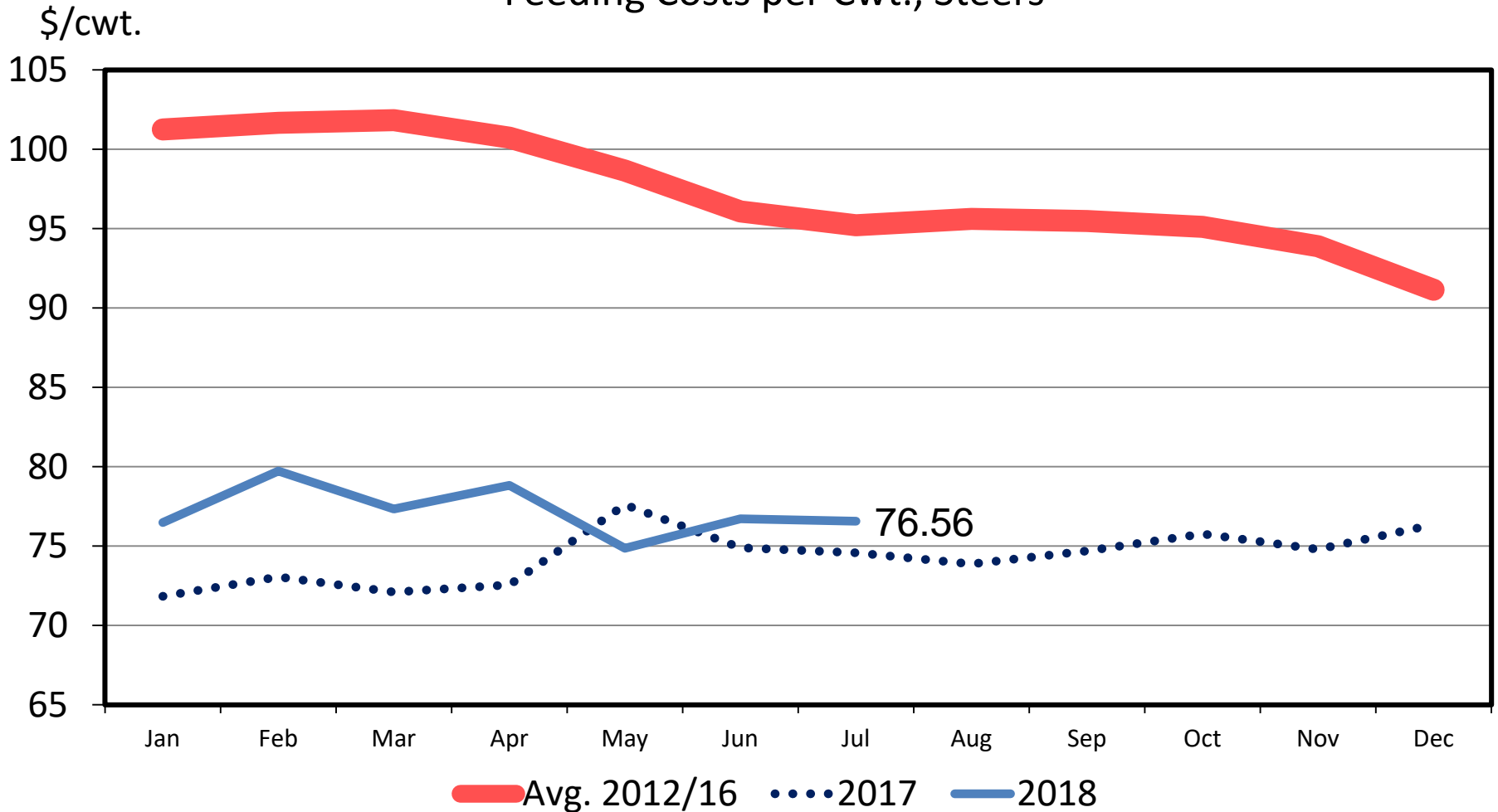
CME Corn Futures

- December 2018 – December 2020
- \$3.63 - \$4.10, *\$/bushel*
- Cheap corn keeps “Cost of Gain” low in the feedlot
- Cheap corn limits “Value of Gain” from grass for Stocker and Cow-Calf producers and the value of hay/haylage*

**Assuming that corn continues to be the benchmark to value feedstuffs*

KANSAS FEEDLOT CLOSEOUTS

Feeding Costs per Cwt., Steers

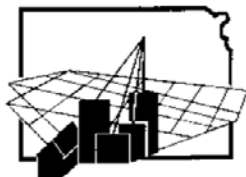


Data Source: KSU Focus on Feedlots, Compiled by LMIC

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Focus on Feedlots



Kansas Feedlot Performance and Feed Cost Summary*

Justin Waggoner, Extension Beef Systems Specialist, Kansas State University

July , 2018 Closeout Information

Sex	No	In Weight	Final Weight	Avg. Days on Feed	Avg. Daily Gain	Feed/Gain (Dry Basis)	% Death Loss	Avg. Cost of Gain/Cwt.	Projected Cost of Gain Current Month's Placed Cattle
Steers	45977	762	1366	169	3.53	5.98	1.45	\$76.56	\$73.50
				(136 - 225)	(3.35 - 3.68)	(5.68 - 6.41)		\$69.36 - \$86.16	\$70.00 - \$78.00
Heifers	24718	712	1255	167	3.10	6.34	2.35	\$82.25	\$76.67
				(140 - 236)	(2.78 - 3.40)	(5.90 - 6.79)		\$73.99 - \$91.90	\$74.00 - \$81.00

Current Feed Inventory Costs: Mid-August, 2018			Range	No. Yards
Corn		\$3.91 /bu	\$3.55-\$4.19	8
Ground Alfalfa Hay		\$173.85 /ton	\$120.00 - \$208.88	8

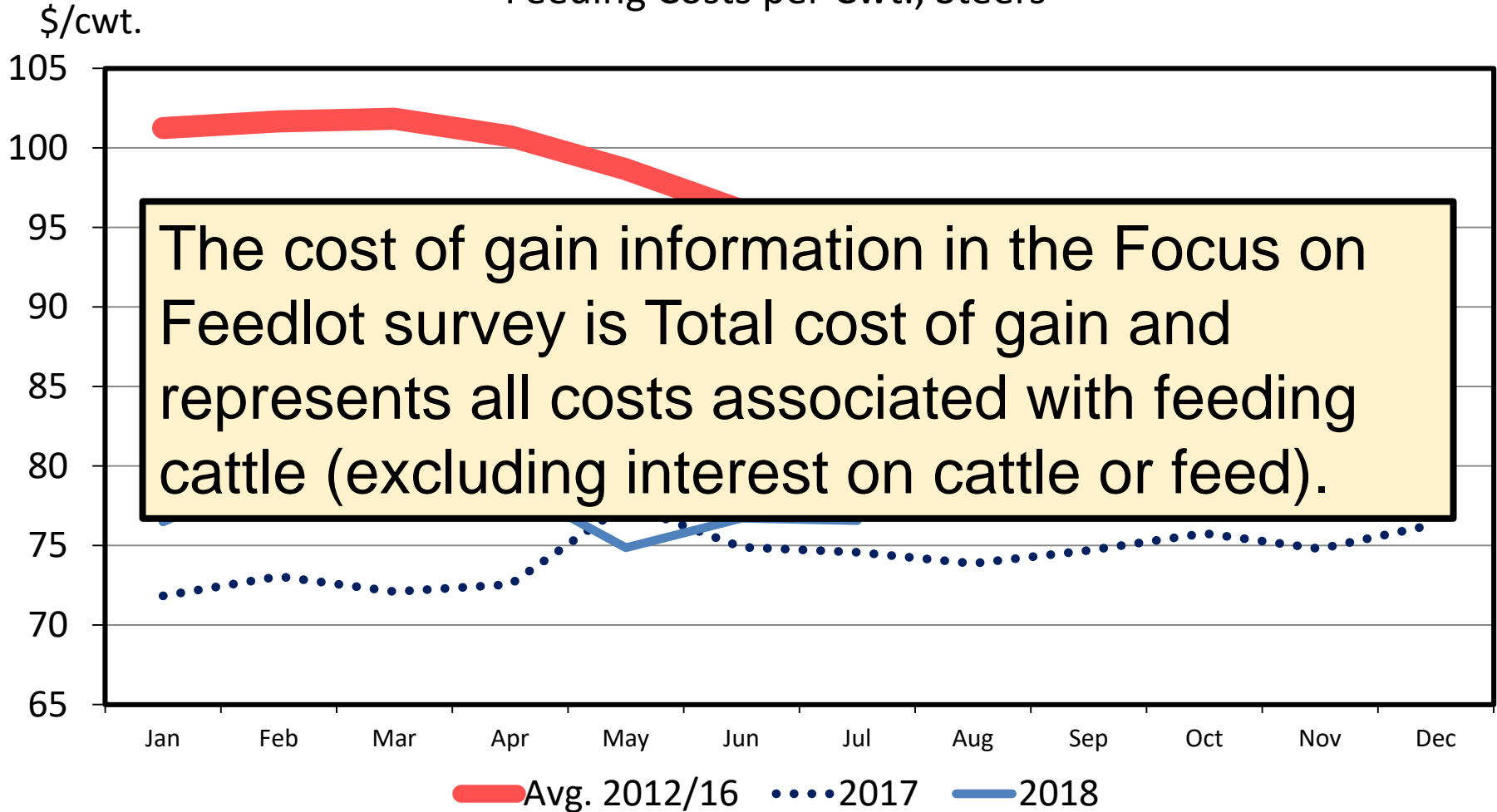
*Appreciation is expressed to these Kansas Feedyards: Brookover Ranch Feed Yard, Deseret Cattle Feeders, Hoxie Feedyard, HyPlains Feed Yard, Kearny County Feeders, Poky Feeders, Pratt Feeders, and Supreme Cattle Feeders.

**Closeout figures are the means of individual feedyard monthly averages and include feed, yardage, processing, medication, death loss and usually sold FOB the feedlot with a 4% pencil shrink. Interest charges normally are not included.

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KANSAS FEEDLOT CLOSEOUTS

Feeding Costs per Cwt., Steers



Data Source: KSU Focus on Feedlots, Compiled by LMIC

08/31/18

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Stocker Producers

- Current Avg. “Value of Gain” of **\$0.50-\$0.75/lb.** isn't very appealing.

Green Grass Fever

- Producers must either....
 - Find ways to **lower their cost of gain** (focus on most productive forage sites, procure stockers with a higher level of performance, lower health risks, etc.)
 - **Get Lucky** when they bet on the improving market prices and calf gains to enhance VOG

Forage Cost of Gain



Projected 2018-2019 Forage Cost of Gain

- Wheat Pasture : \$0.30 - \$0.45/lb.
- SE Cool-Season Annual Forages: \$0.50 - \$0.65/lb.
- Summer Annuals: \$0.30 - \$0.40/lb.

Forage and Hay Outlook

- U.S. Pasture and Range Conditions
- Weather Outlook
- U.S. Forage Supply
- Value of Forage Production

**What will ALL of This
Mean Moving Forward...**

Even with “good weather for growing and harvesting and all our technological advances” it continues to be cheaper to let the cows harvest the grass.



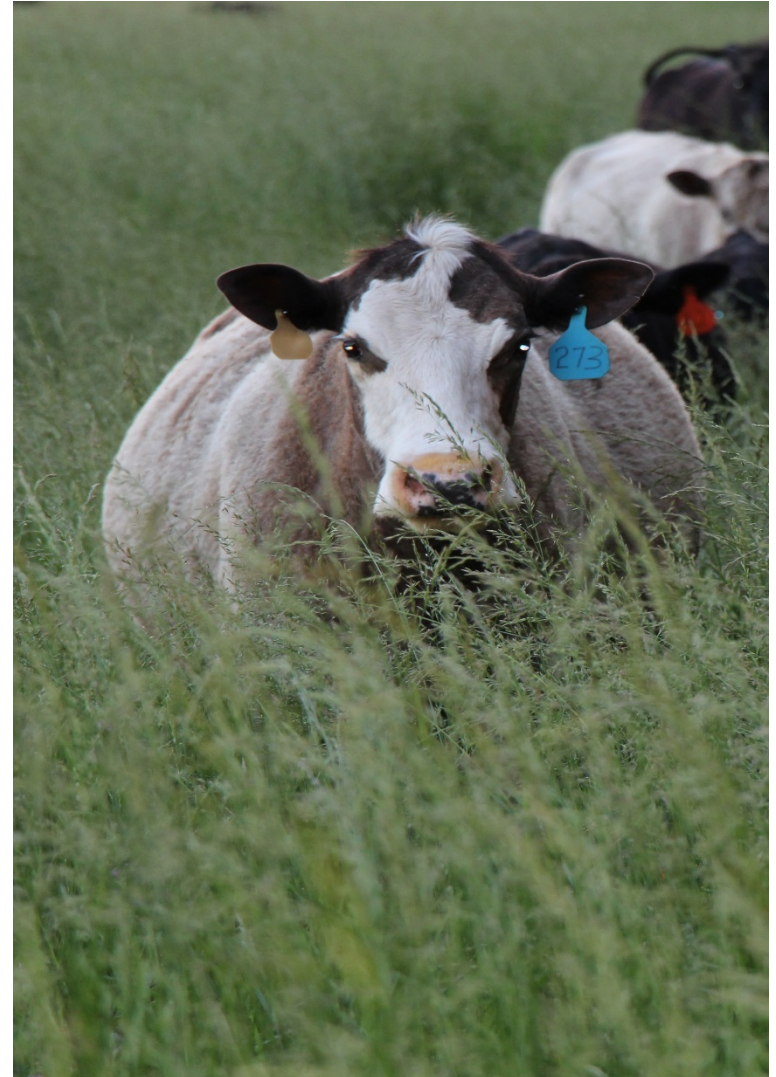


Pasture and Range Conditions overall are expected to be about average.

- Excellent
- Good
- Fair
- Poor
- Very Poor

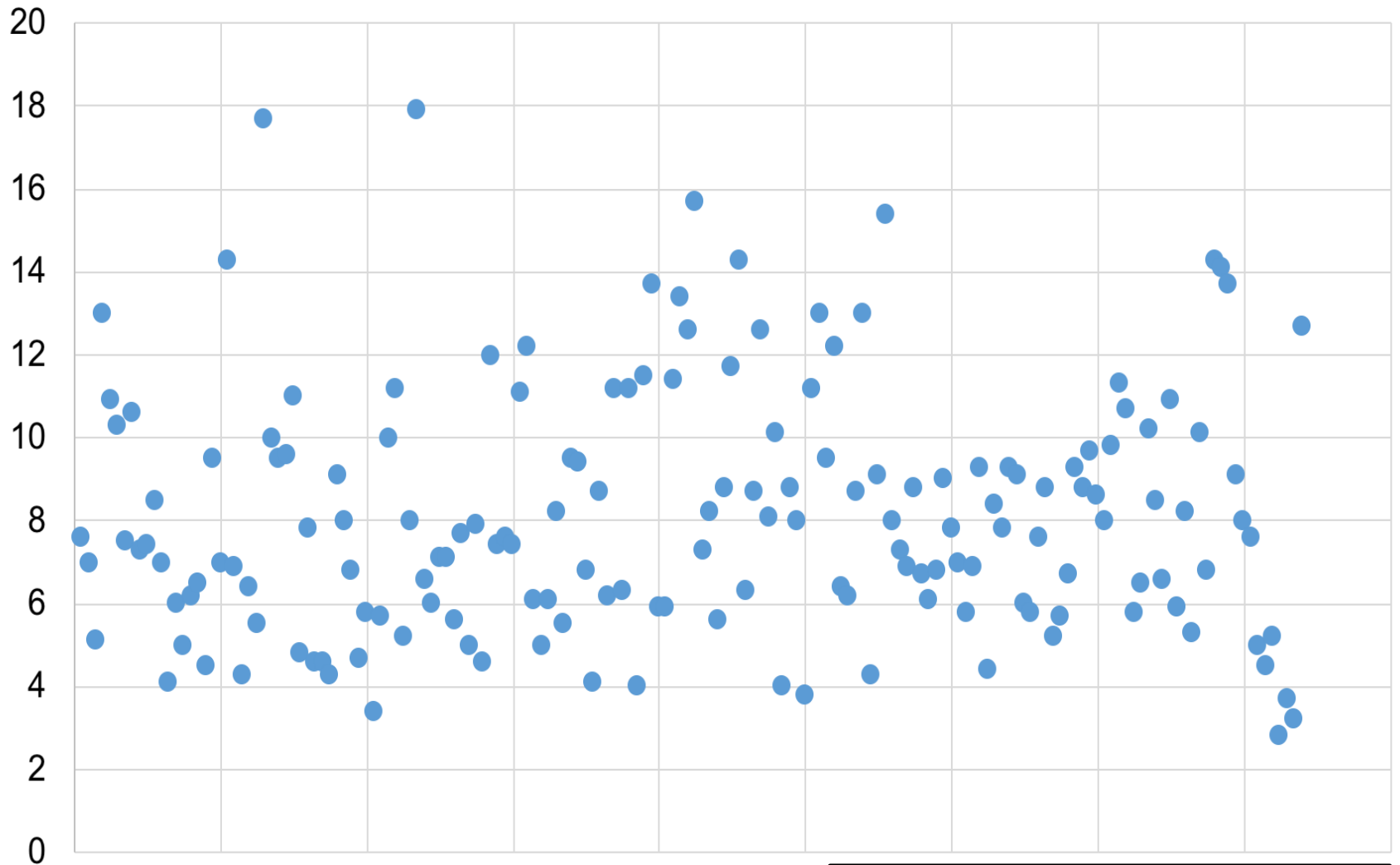
Cow-Calf Producers Need to:

- Continue to wage war on forage and feeding costs (focus on mgt. & resources)
- Prepare for the next drought...



2017 Bahiagrass Forage Samples

CP %

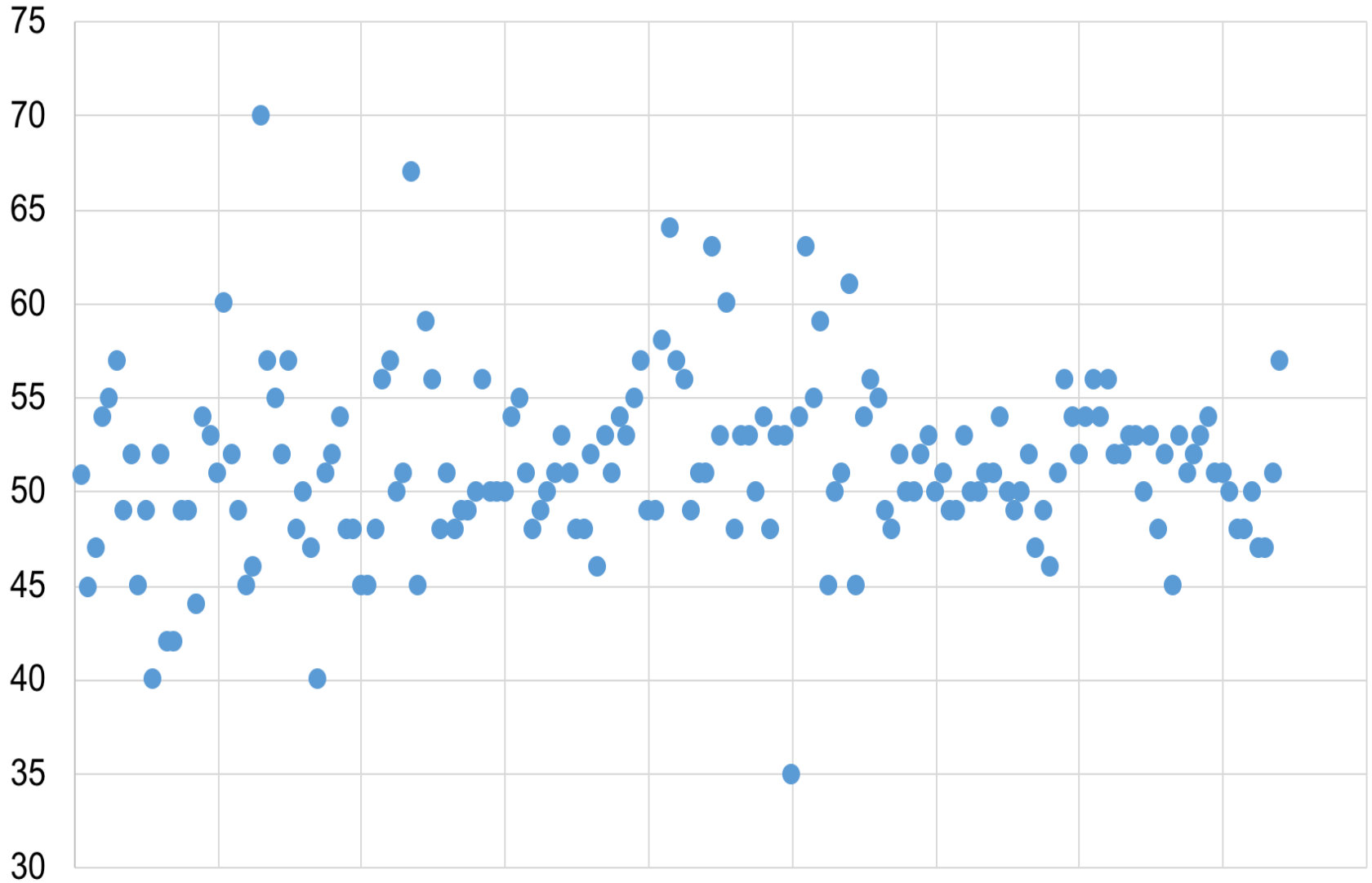


Source: Vendramini and Prevatt, 2017

168 Samples, Avg. 8.11% CP

2017 Bahiagrass Forage Samples

TDN %



Source: Vendramini and Prevatt, 2017

168 Samples, Avg. 51.39% CP



*You can still go
broke with good
soil...*

- Chris Prevatt



Forage and Hay Outlook

Chris Prevatt

**University of Florida, Extension Economist
Range Cattle Research and Education Center**

2018 Southern Outlook Conference

September 26, 2018