

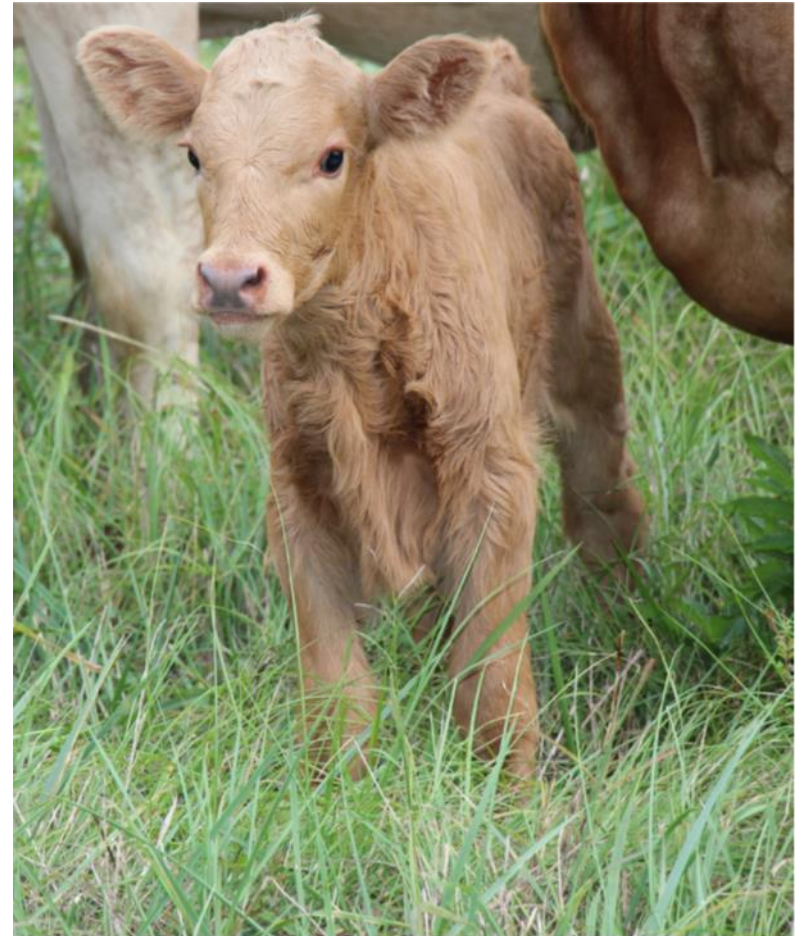
# **Forage and Hay Outlook**

**Chris Prevatt**

**University of Florida, Extension Economist  
Range Cattle Research and Education Center  
2015 Southern Region Outlook Conference  
September 21, 2015**

# Forage and Hay Outlook

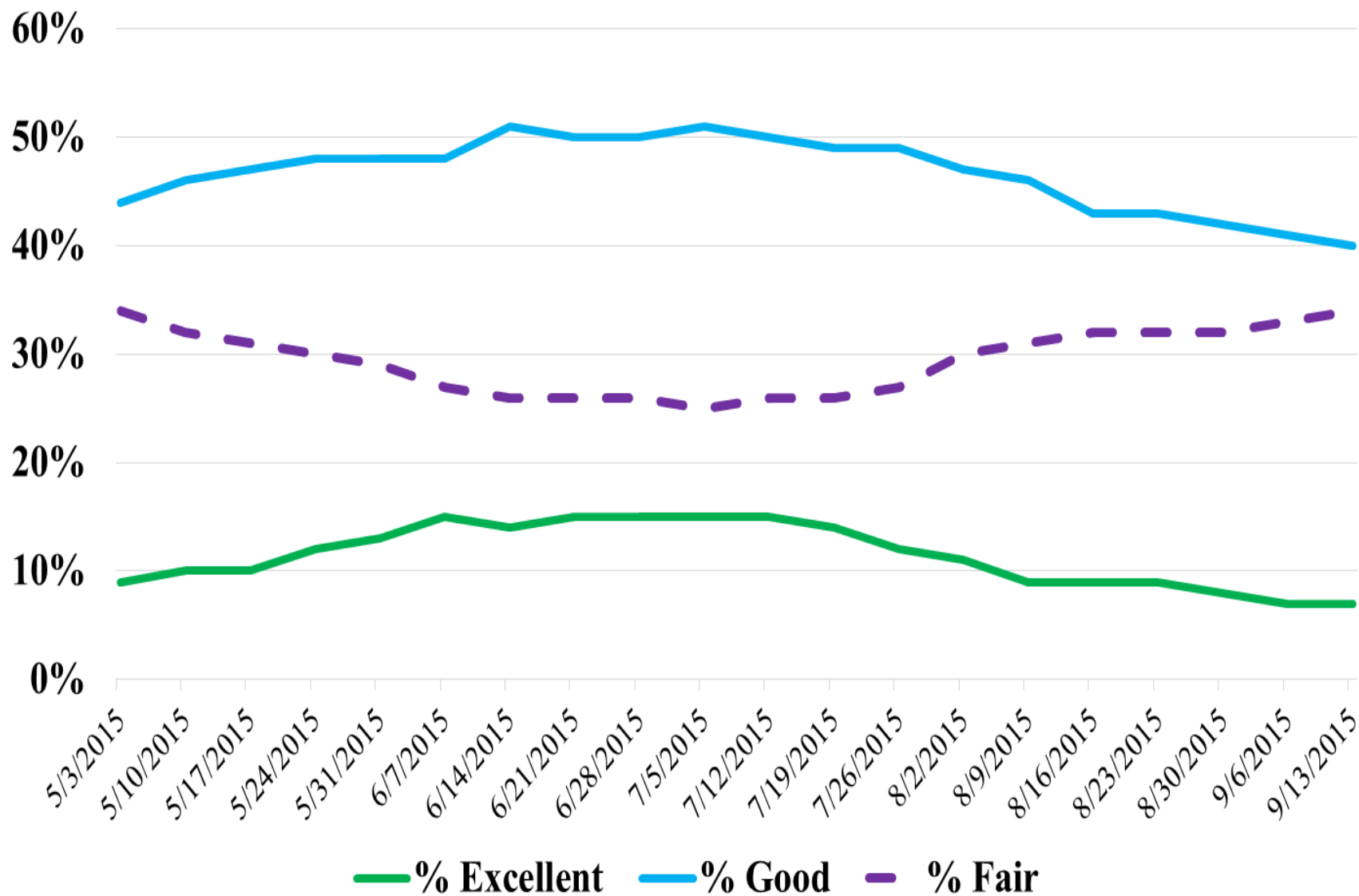
- First time to attend the Southern Region Outlook Conference
- First Forage and Hay Outlook Presentation
- Please fill-in anything I miss!



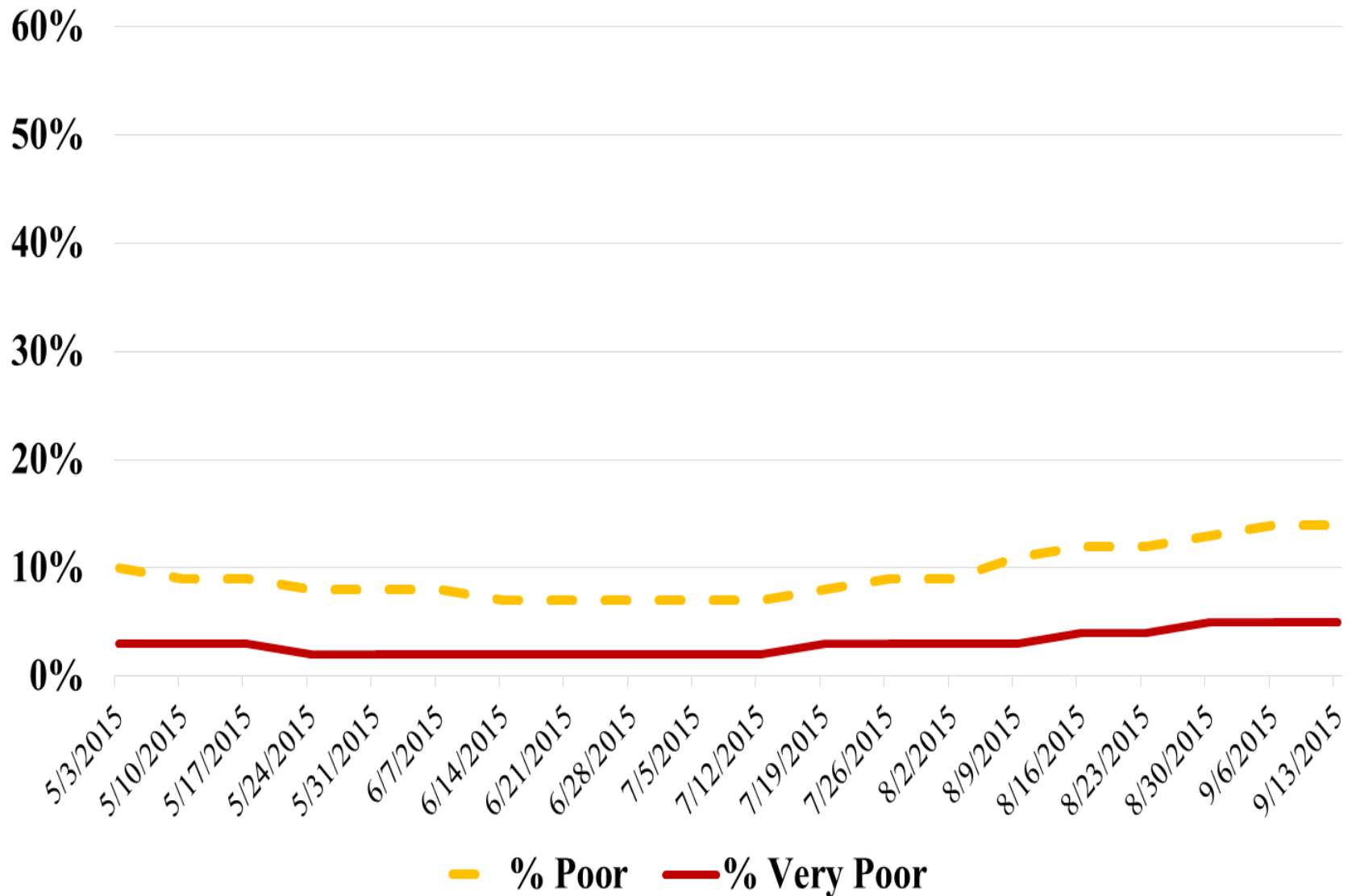
# Forage and Hay Outlook

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

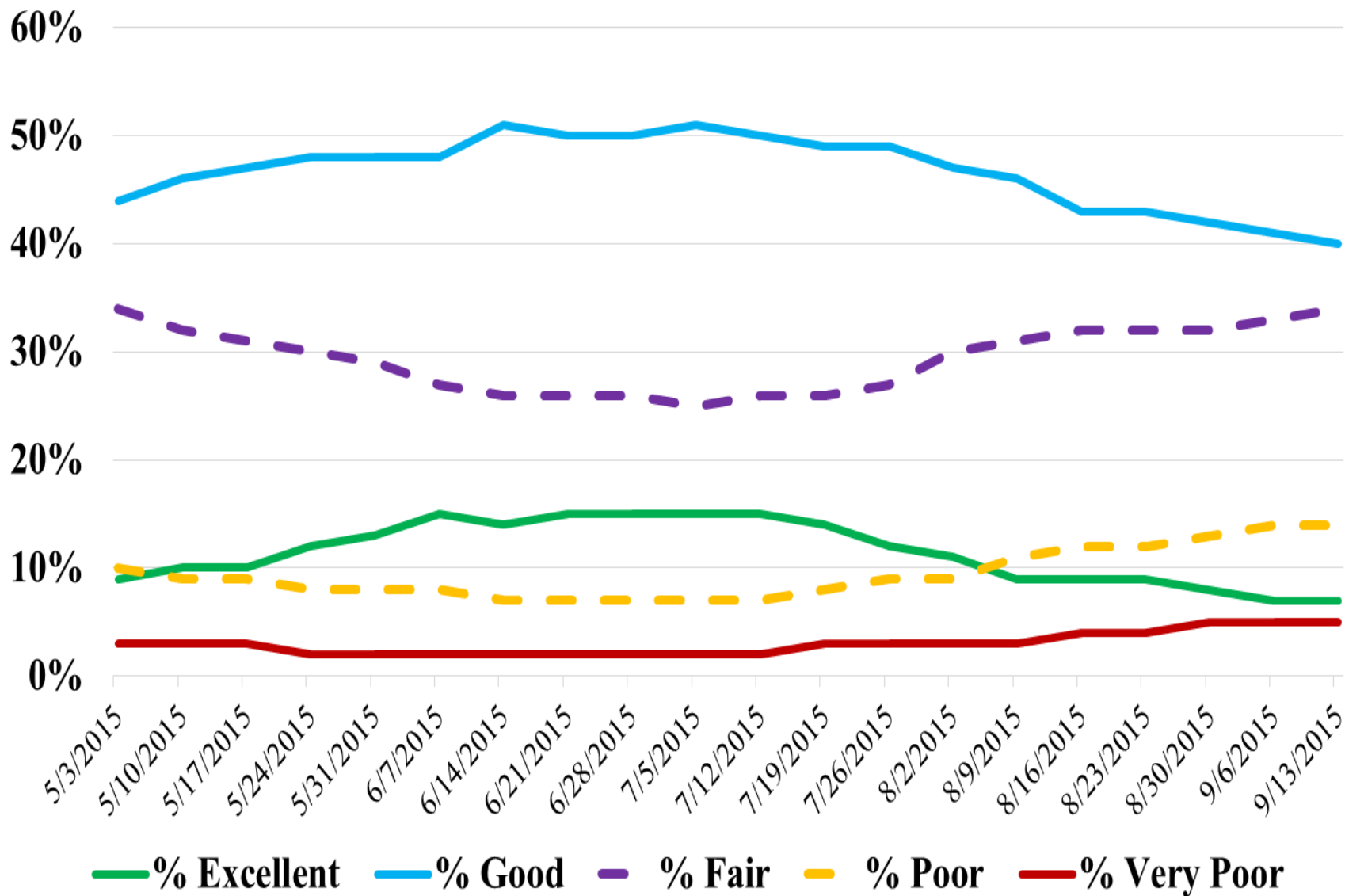
# 2015 U.S. Pasture and Range Conditions by Category



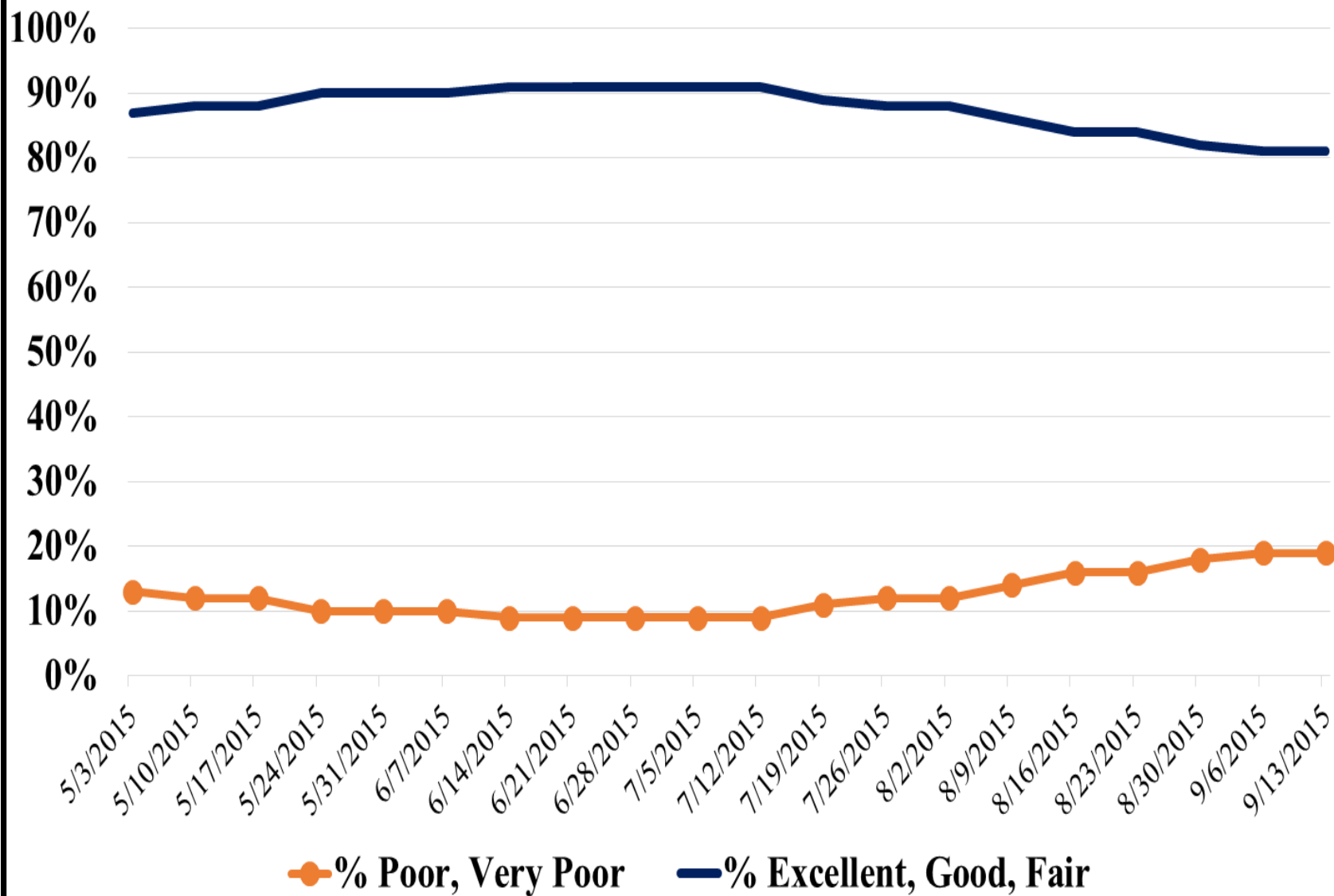
## 2015 U.S. Pasture and Range Conditions by Category



# 2015 U.S. Pasture and Range Conditions by Category

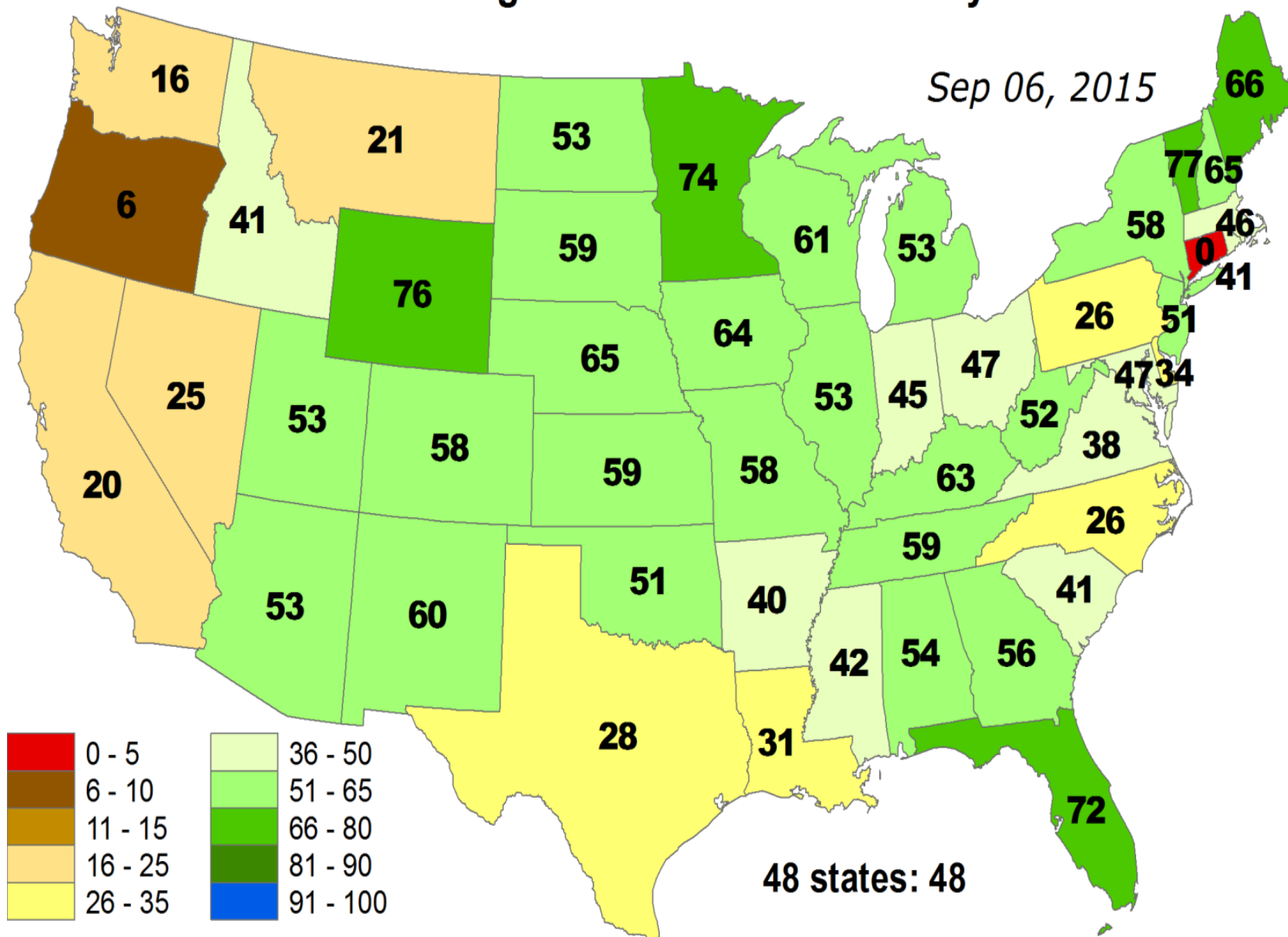


## 2015 U.S. Pasture and Range Conditions by Category



# Percent of Pasture & Range Land in "Good" or "Very Good" Condition

Sep 06, 2015





# Forage and Hay Outlook

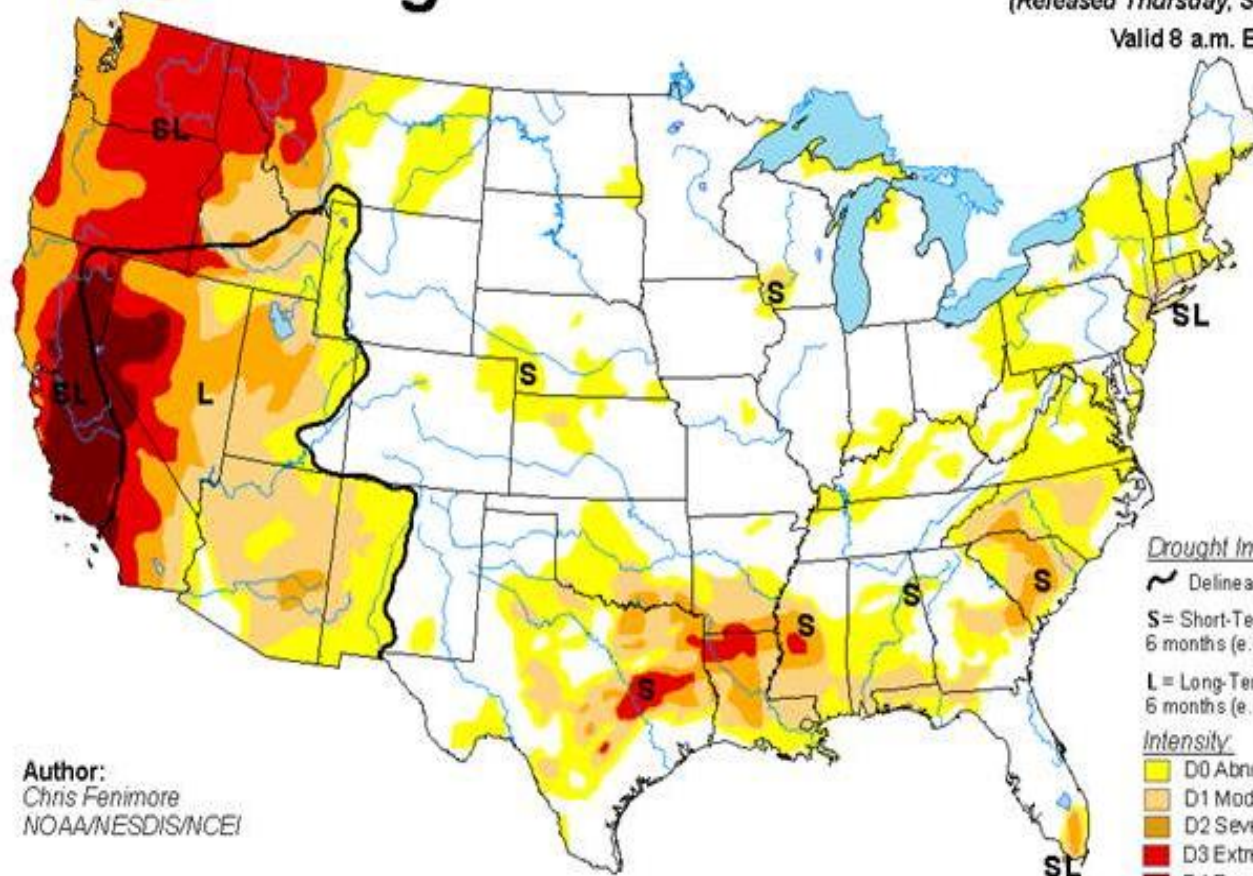
- U.S. Pasture and Range Conditions
- **Weather Outlook**
- U.S. Forage Supply
- Value of Forage Production

# U.S. Drought Monitor

September 15, 2015

(Released Thursday, Sep. 17, 2015)

Valid 8 a.m. EDT



Author:  
Chris Fenimore  
NOAA/NESDIS/NCEI

## 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

Yellow D0 Abnormally Dry

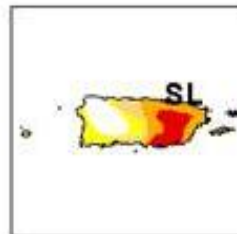
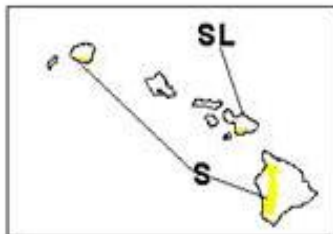
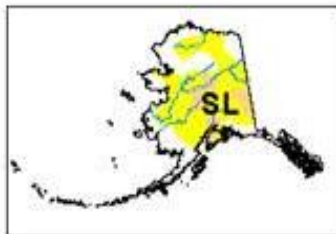
Orange D1 Moderate Drought

Dark Orange D2 Severe Drought

Red D3 Extreme Drought

Dark Red D4 Exceptional Drought

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

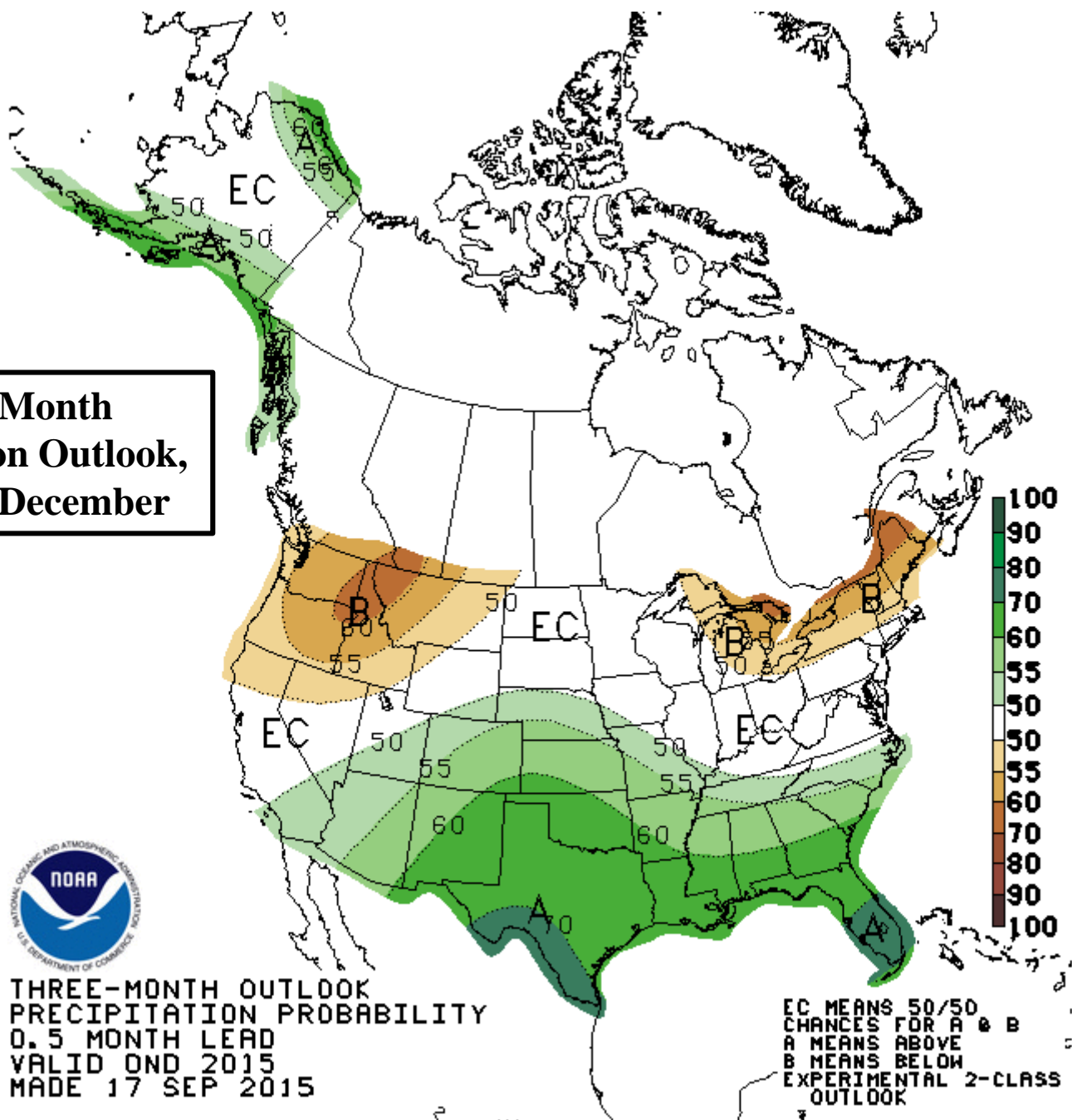


<http://droughtmonitor.unl.edu/>

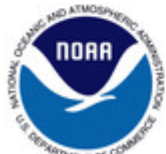
# Three-Month Precipitation Outlook, October - December



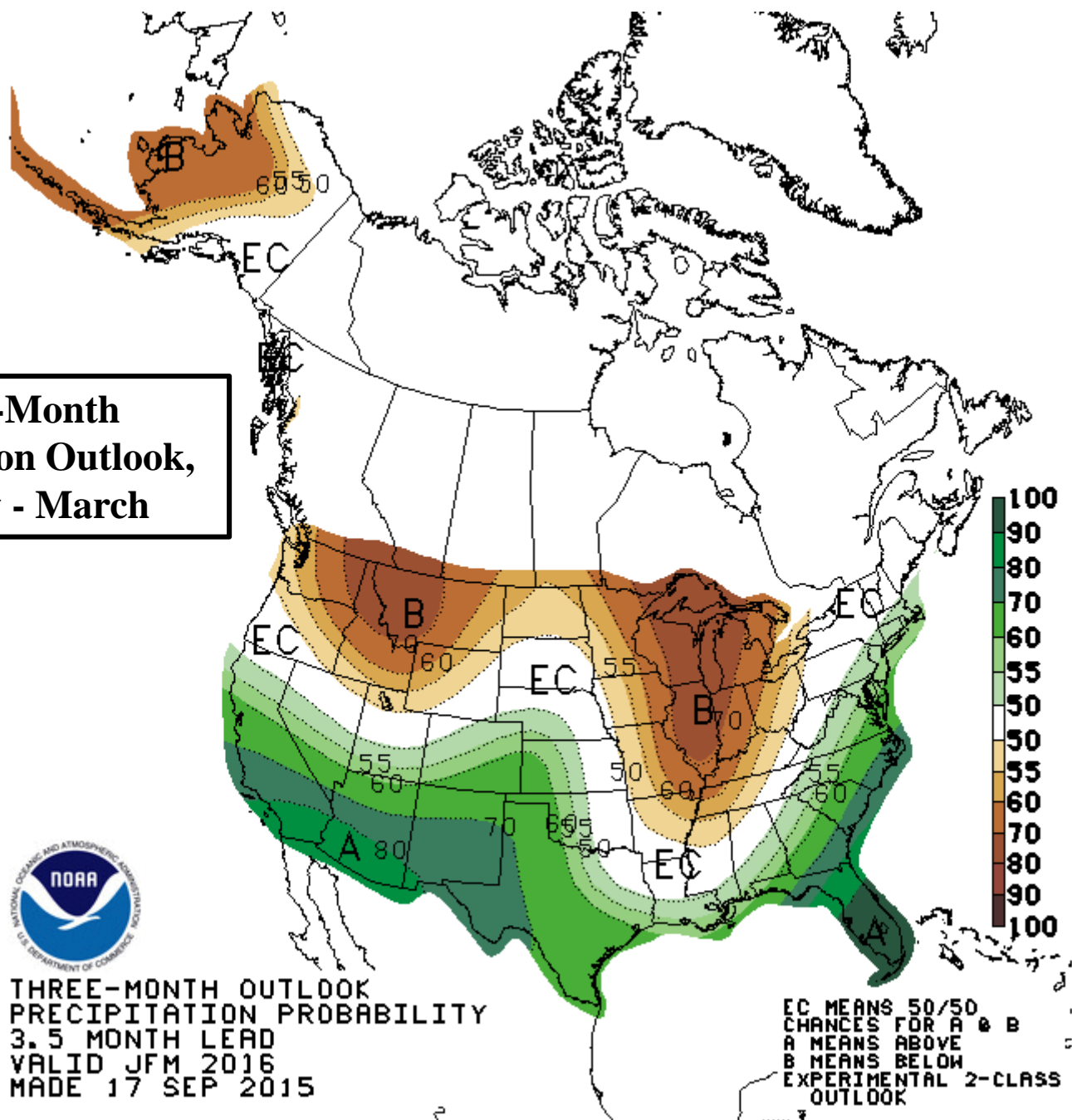
THREE-MONTH OUTLOOK  
PRECIPITATION PROBABILITY  
0.5 MONTH LEAD  
VALID OND 2015  
MADE 17 SEP 2015



# Three-Month Precipitation Outlook, January - March



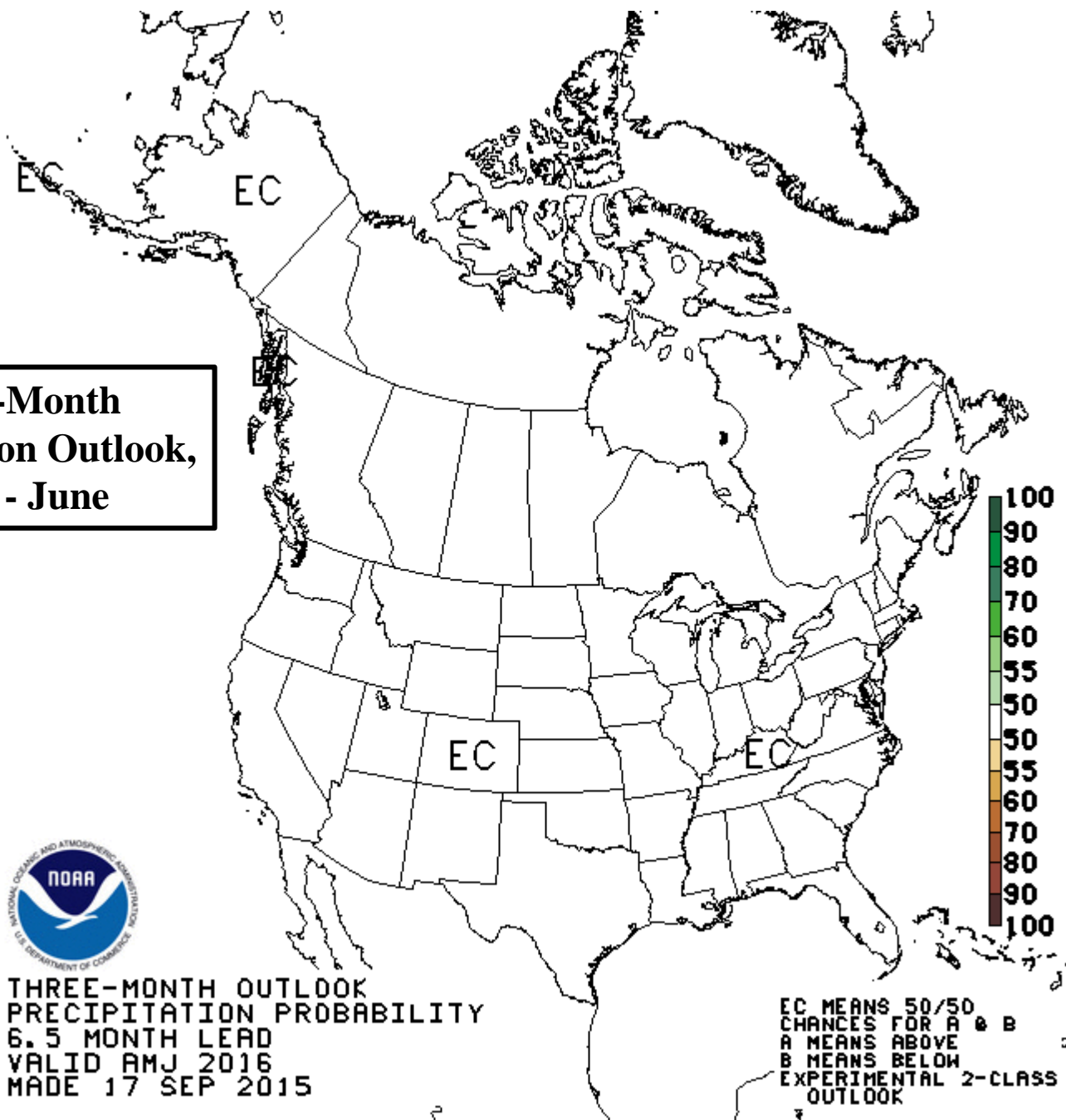
THREE-MONTH OUTLOOK  
PRECIPITATION PROBABILITY  
3.5 MONTH LEAD  
VALID JFM 2016  
MADE 17 SEP 2015



**Three-Month  
Precipitation Outlook,  
April - June**



THREE-MONTH OUTLOOK  
PRECIPITATION PROBABILITY  
6.5 MONTH LEAD  
VALID AMJ 2016  
MADE 17 SEP 2015

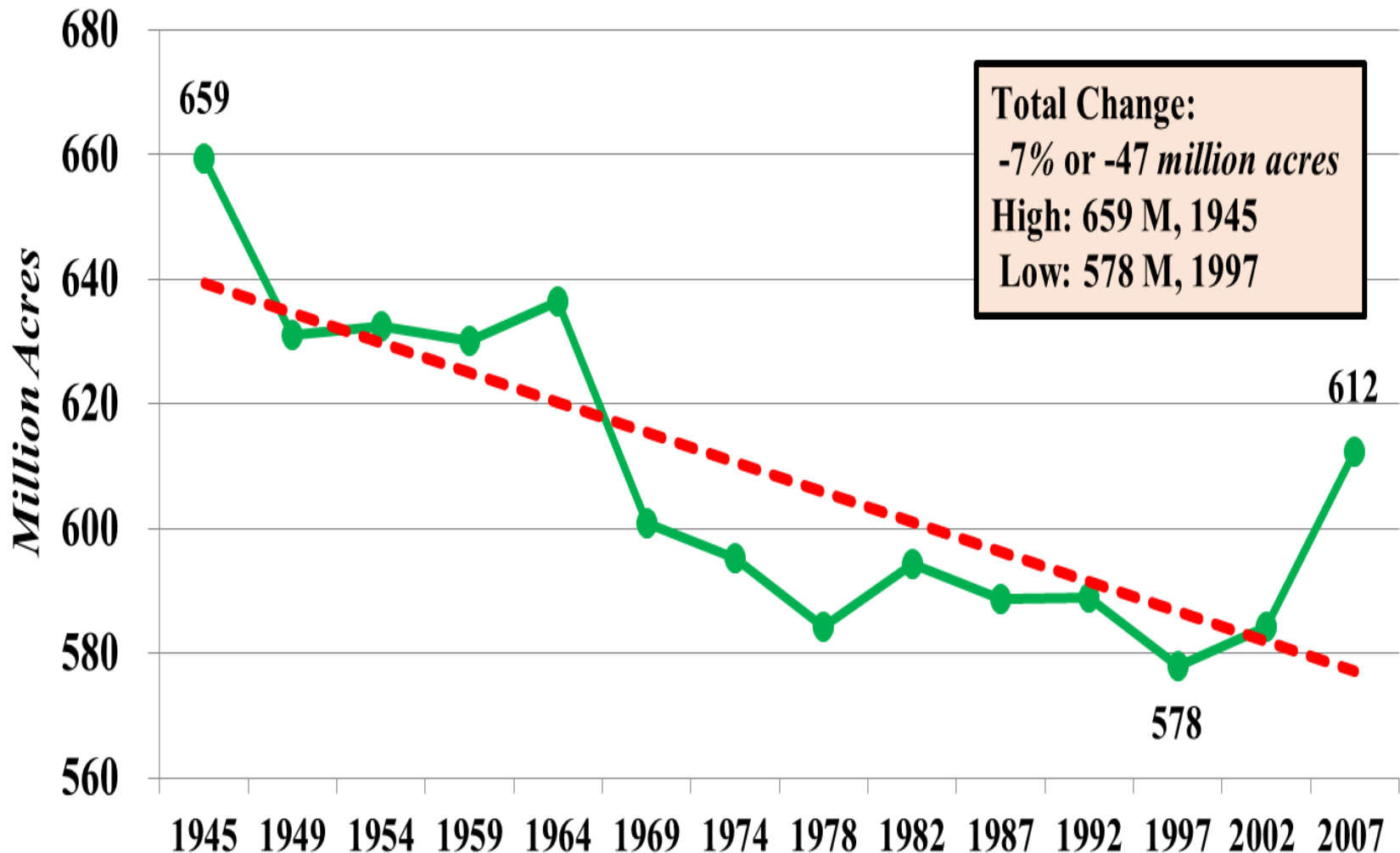


EC MEANS 50/50  
CHANCES FOR A & B  
A MEANS ABOVE  
B MEANS BELOW  
EXPERIMENTAL 2-CLASS  
OUTLOOK

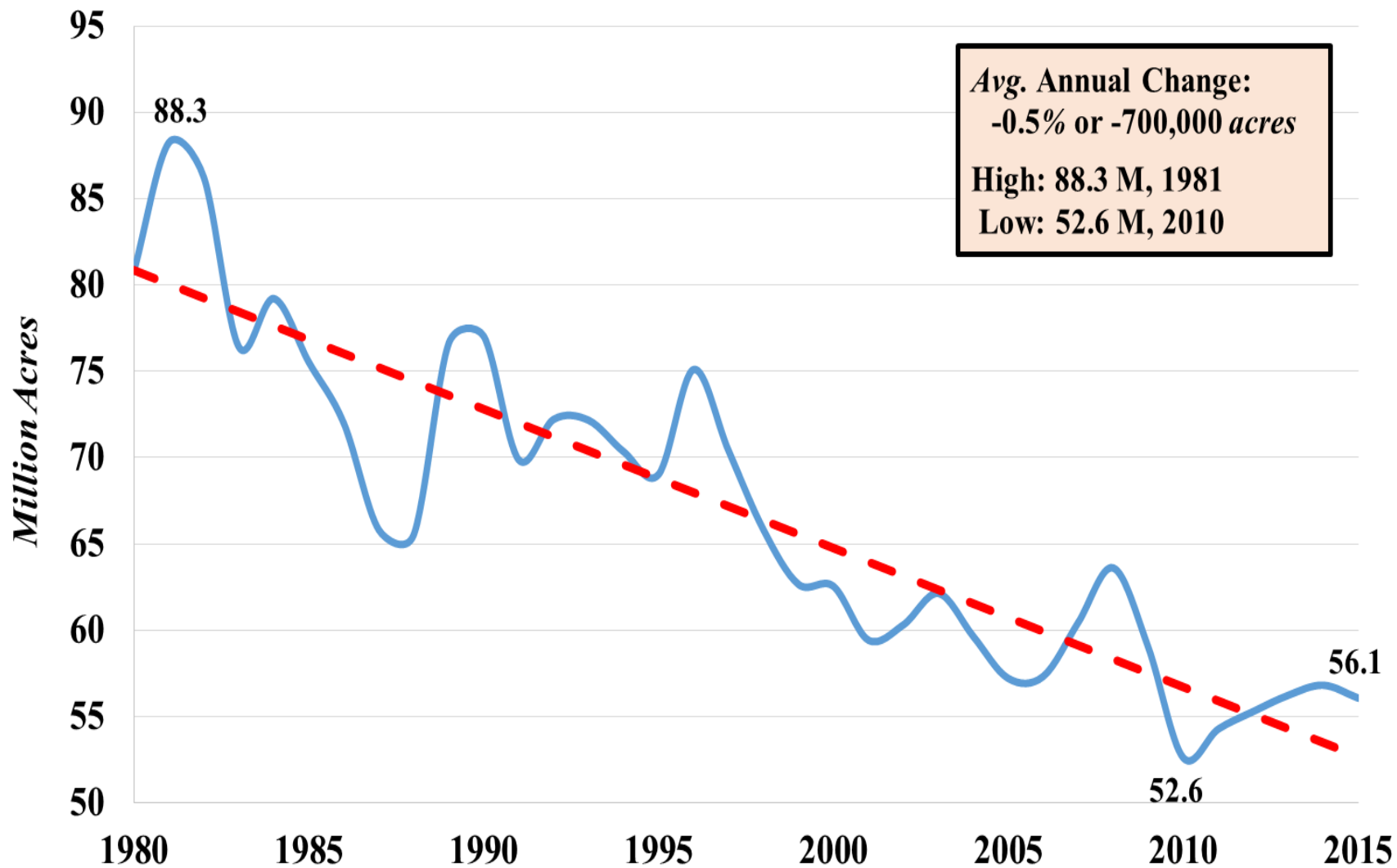
# Forage and Hay Outlook

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

## U.S. Grassland Pasture and Range Acres, 48 States, Noncropland and Nonforested Pasture, Census Years 1945-2007

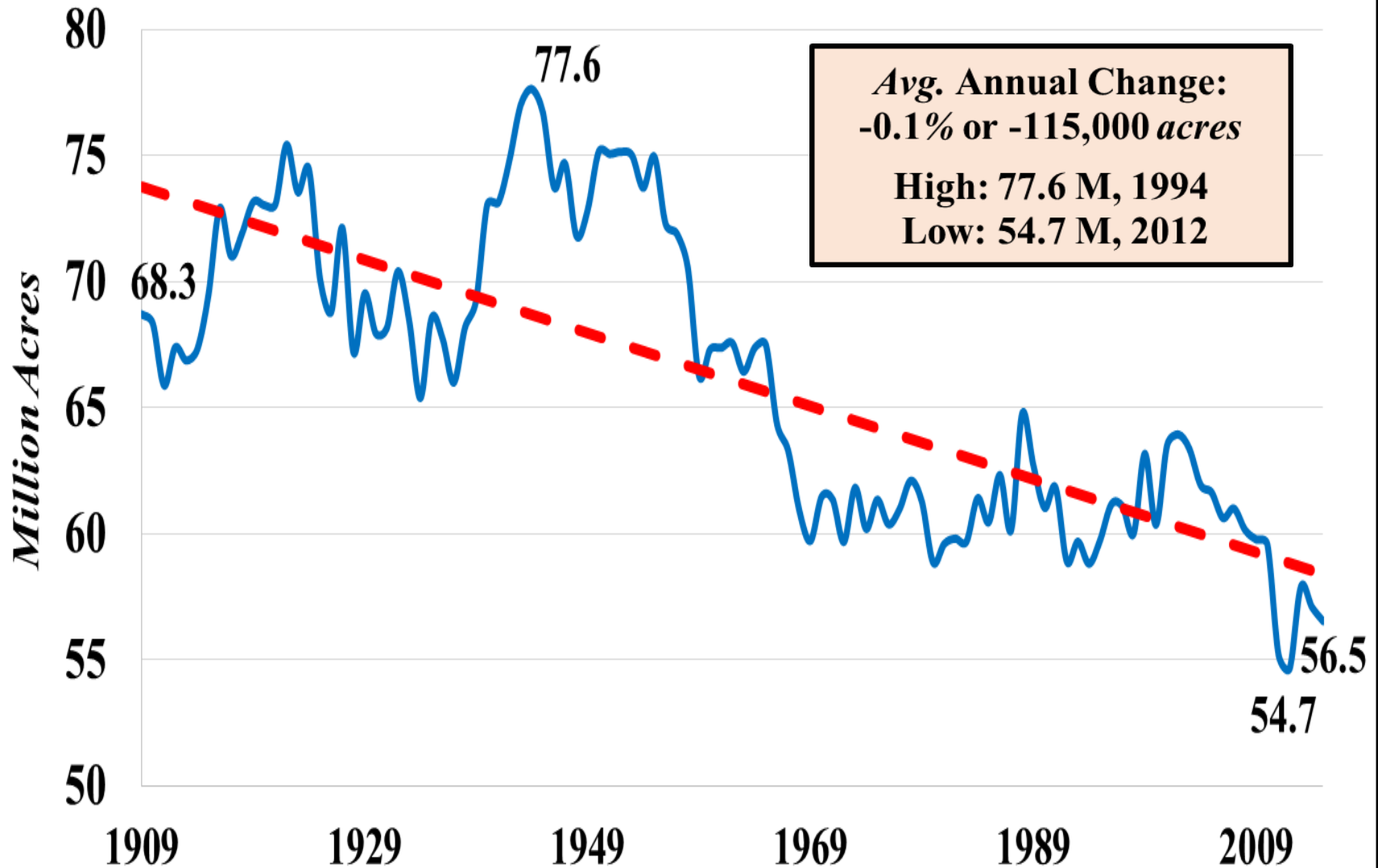


# U.S. Wheat Acres Planted, 1980-2015

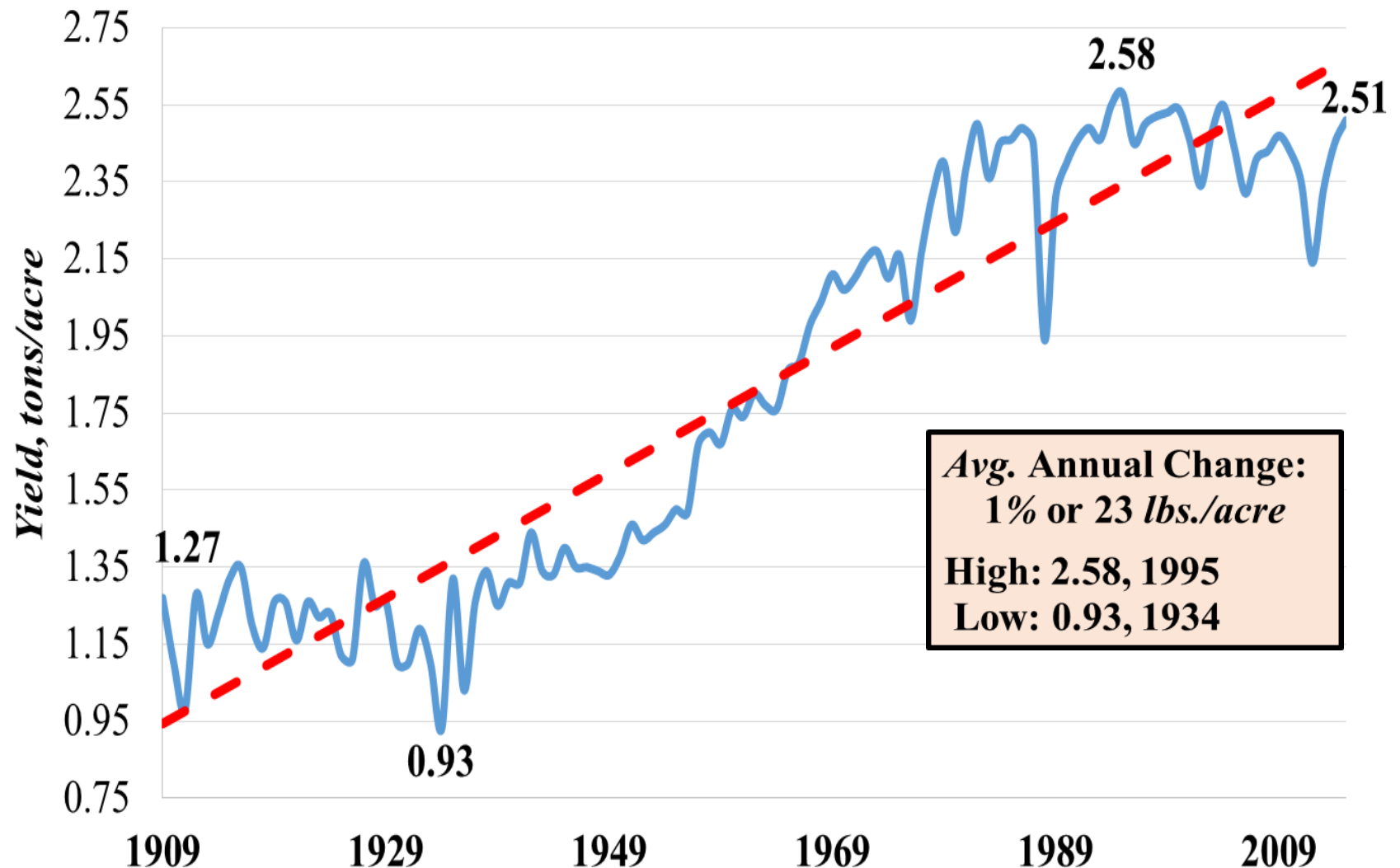




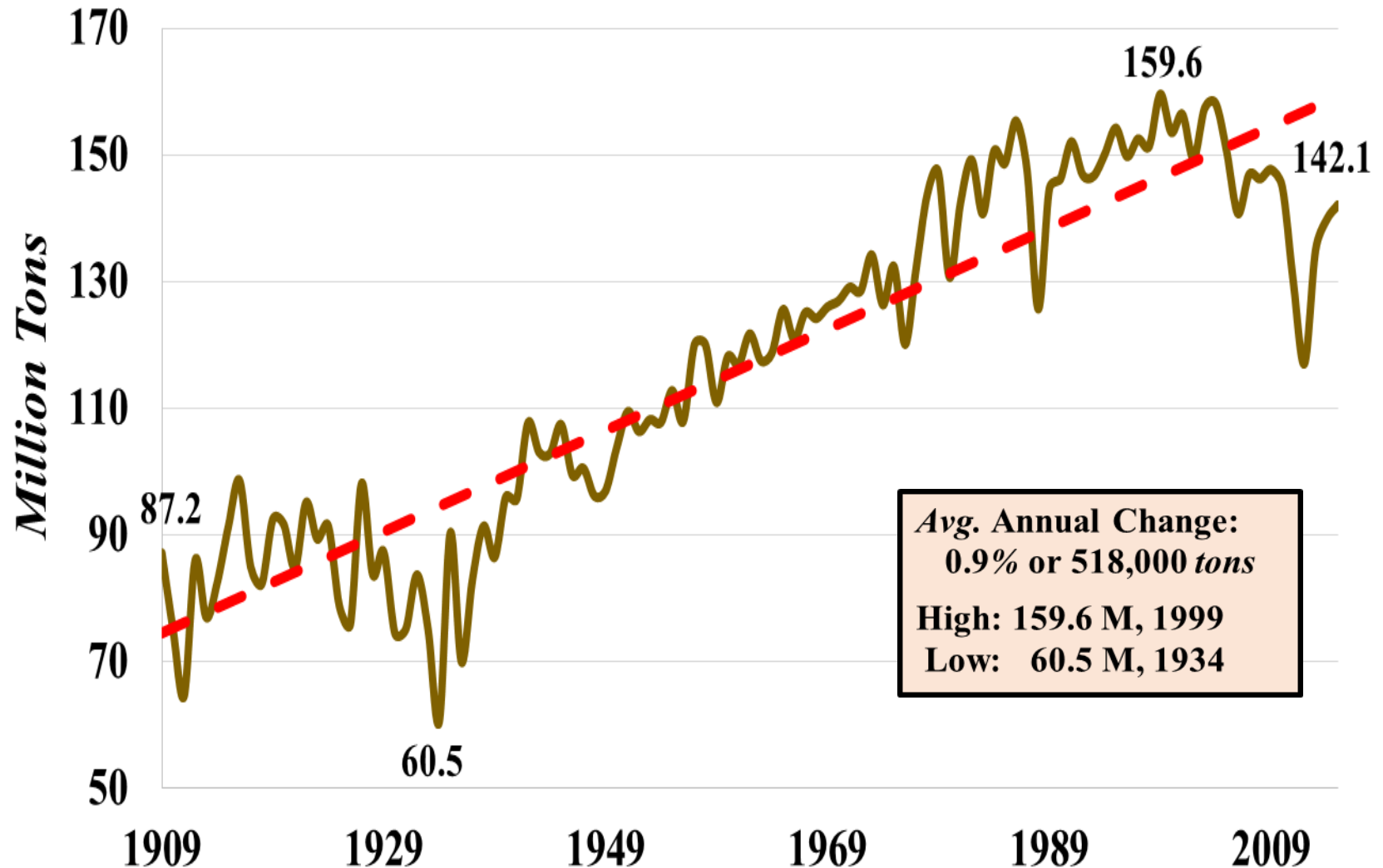
# U.S. Hay Acres Harvested, 1909-2015



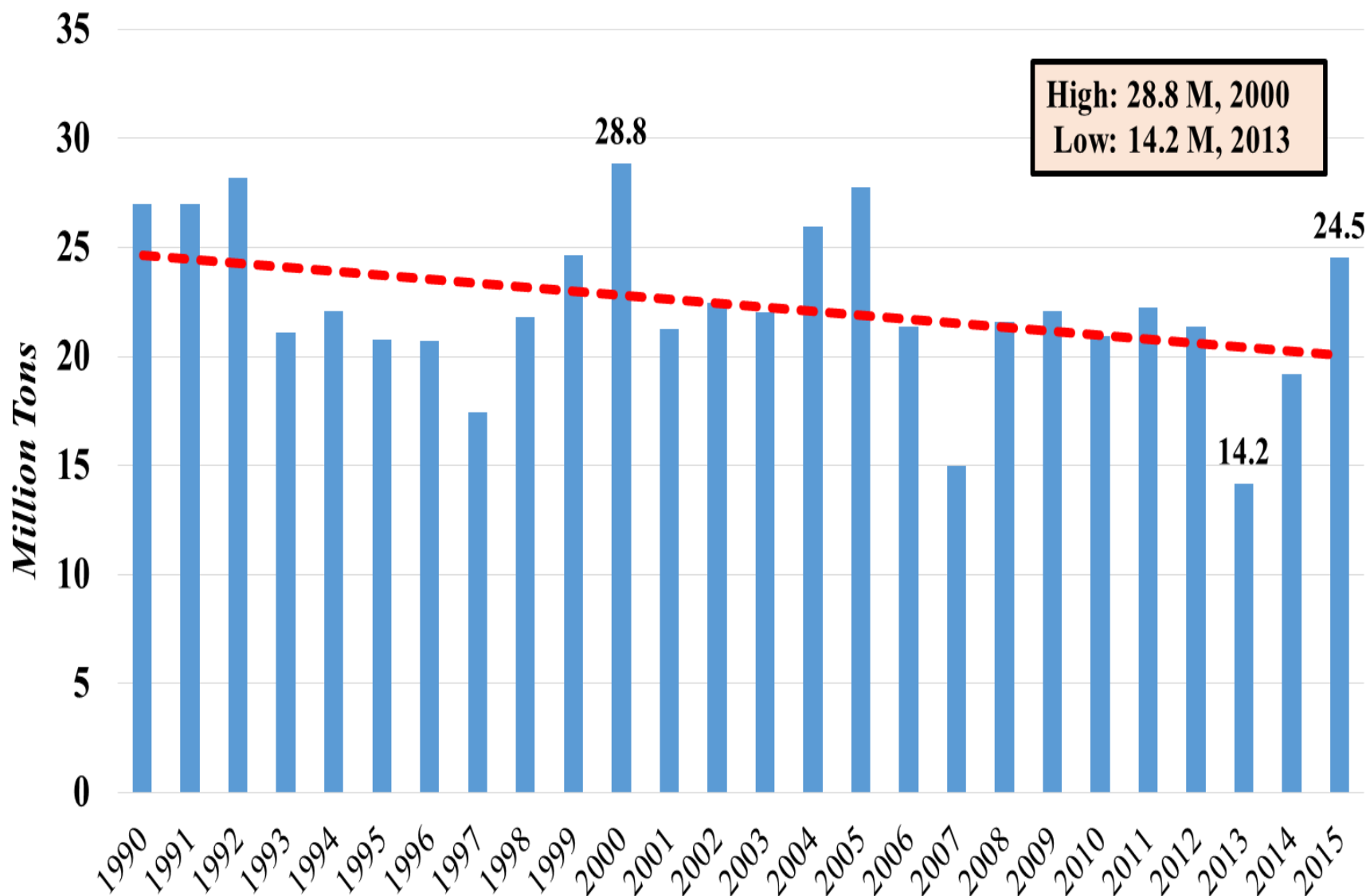
# U.S. Hay Yield, 1909-2015



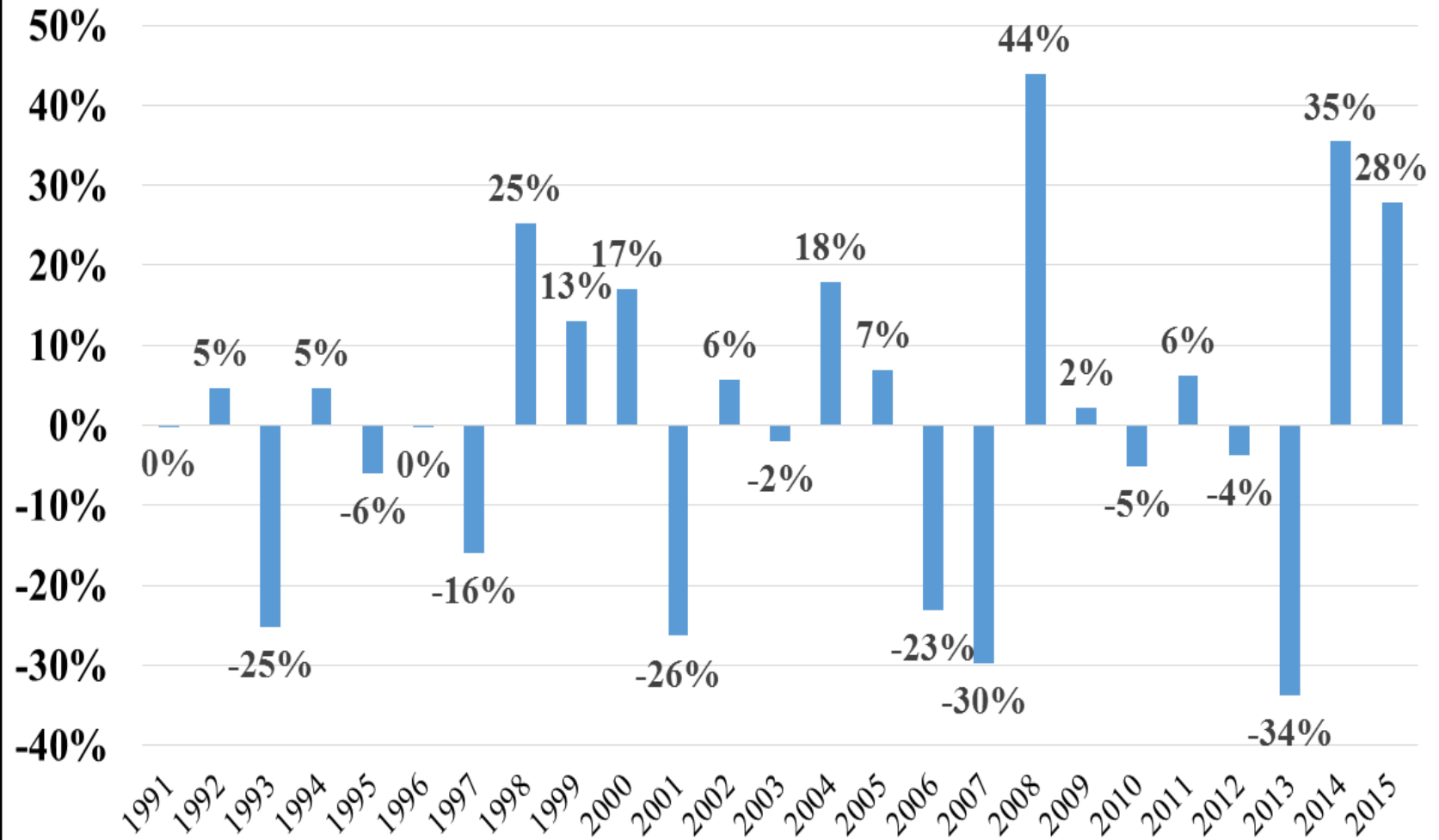
# U.S. Hay Production, 1909-2015



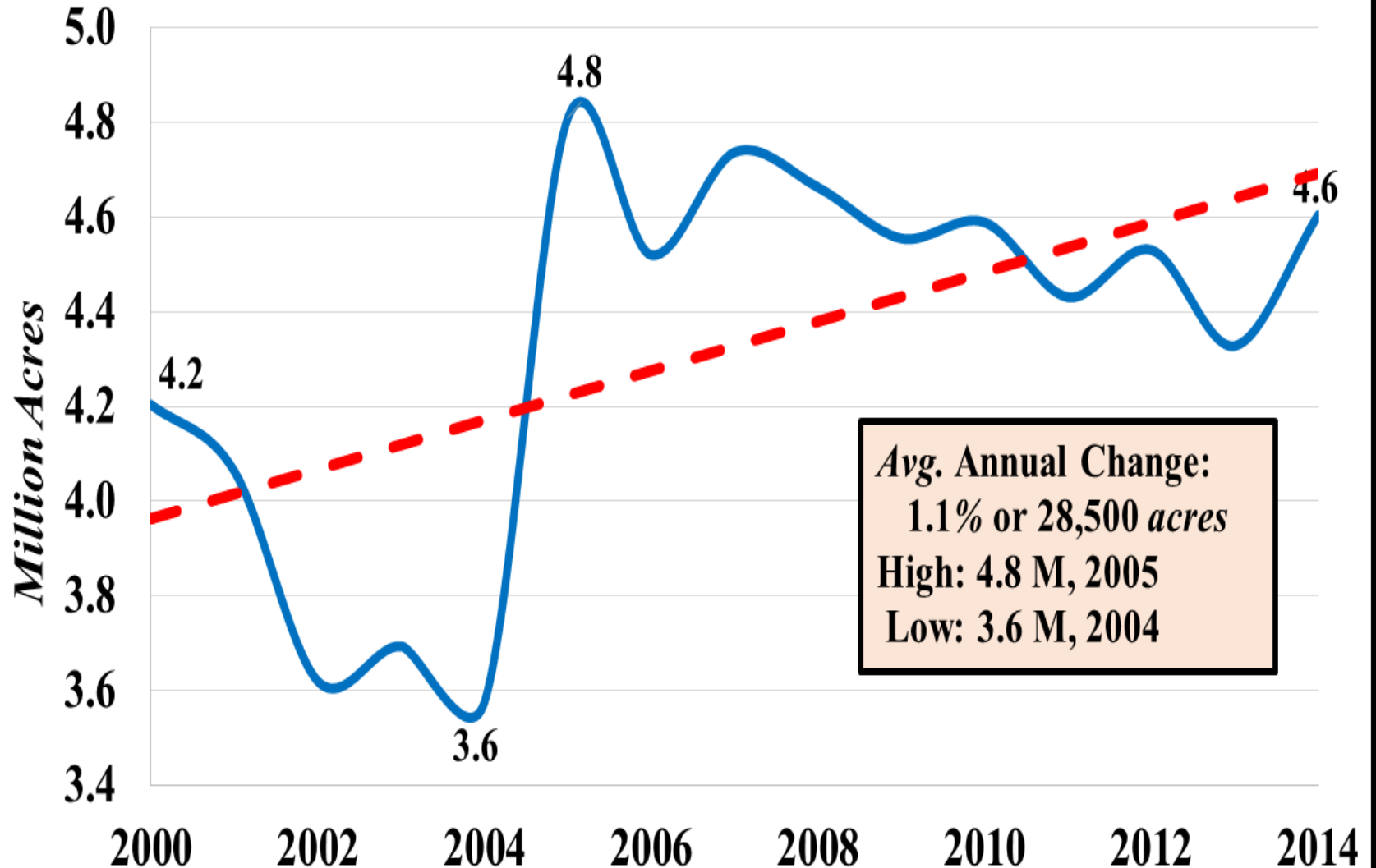
# U.S. Hay Stocks, May 1, 1990-2015



## Percentage Change in U.S. Hay Stocks, May 1, 1990-2015

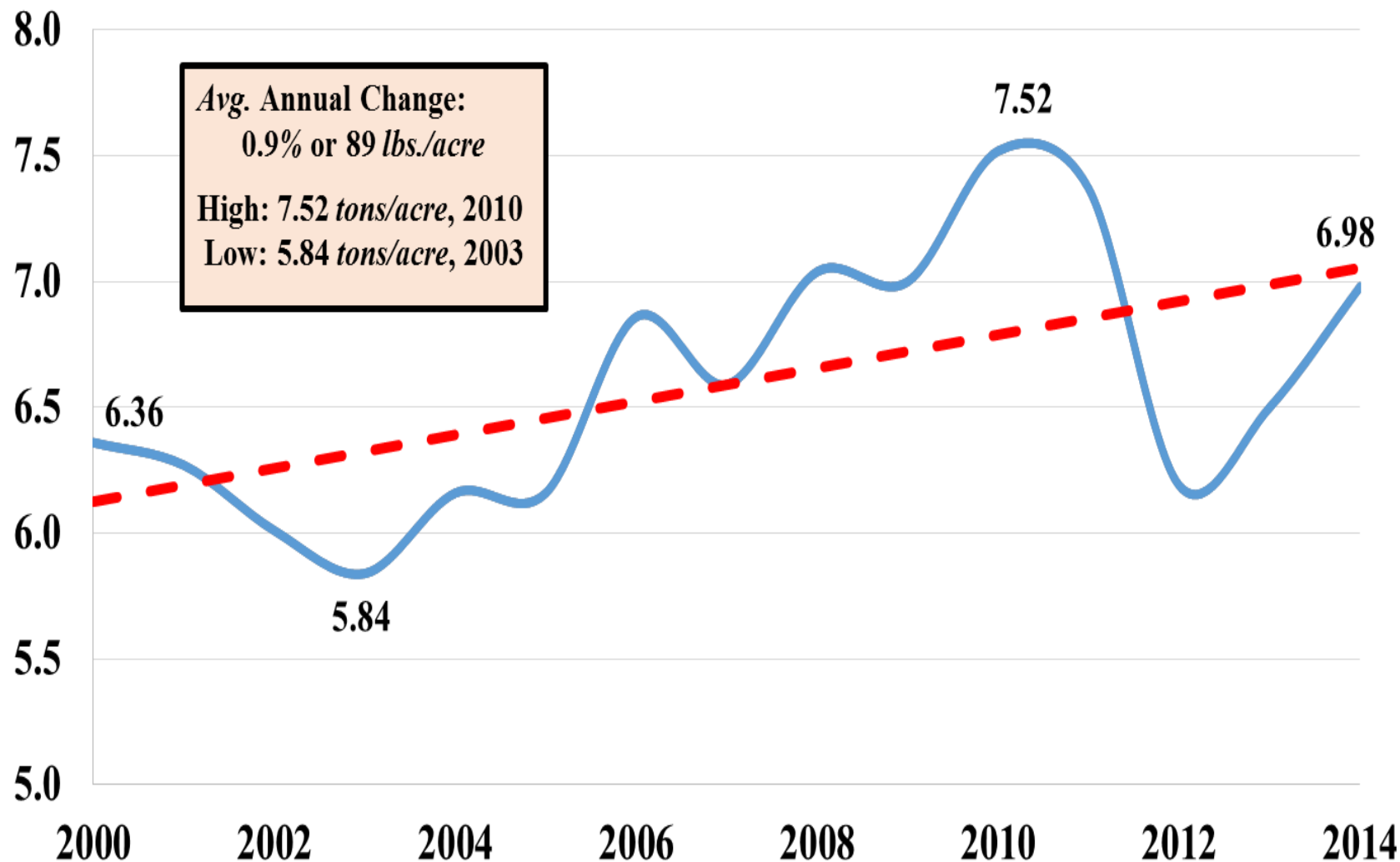


# U.S. Haylage Acres Harvested, 2000-2014

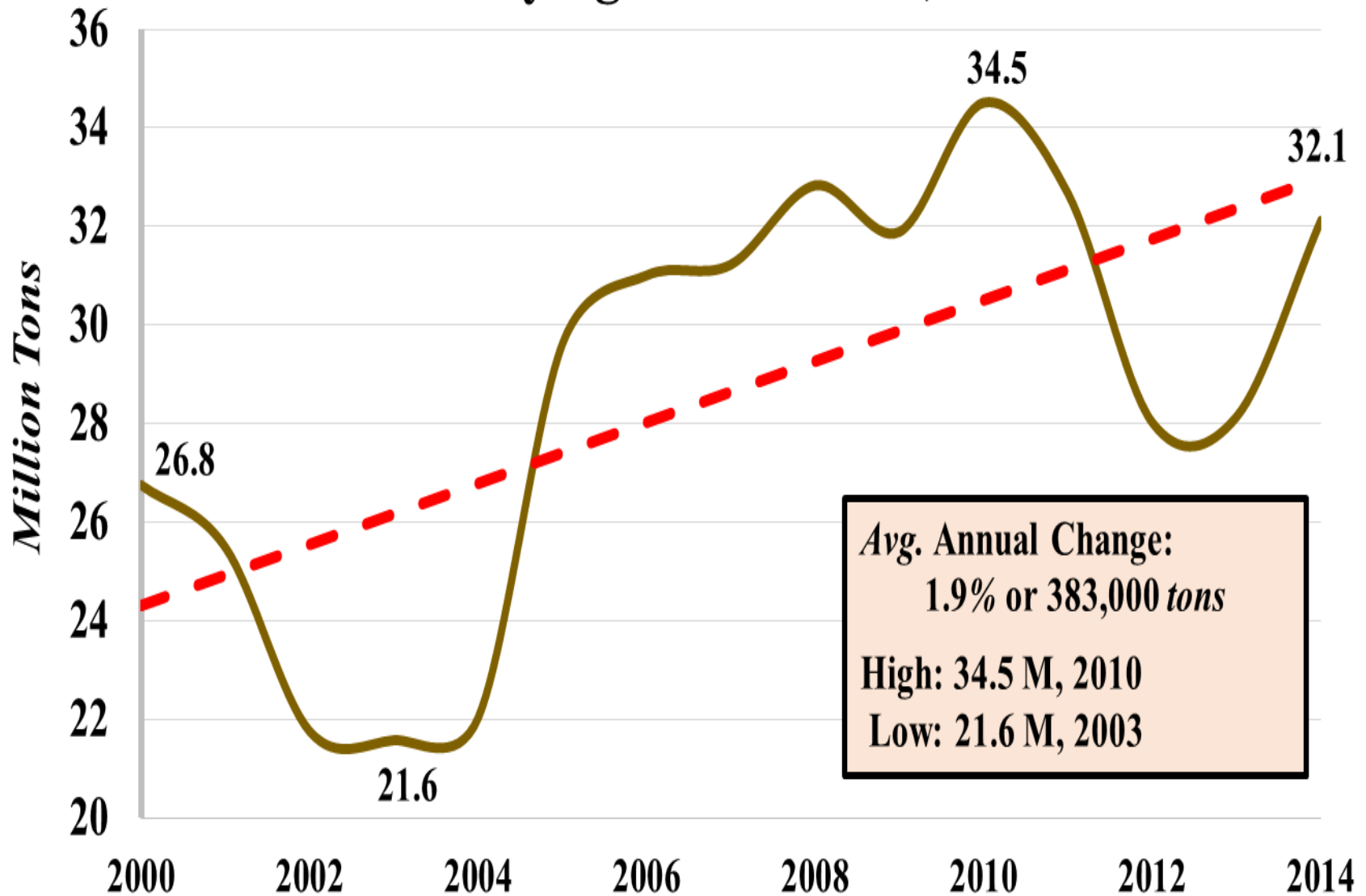


*Tons/Acre*

## U.S. Haylage Yield, 2000-2014



# U.S. Haylage Production, 2000-2014





# Forage and Hay Outlook

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

# U.S. Average Hay Prices, 1995-2014

*\$/ton*

\$210

\$190

\$170

\$150

\$130

\$110

\$90

\$70

*Avg. Annual Change:  
5.3% or \$4.73/ton*

**High: \$191/ton, 2013**

**Low: \$77/ton, 1999**

\$191

\$172

\$77

1995

1997

1999

2001

2003

2005

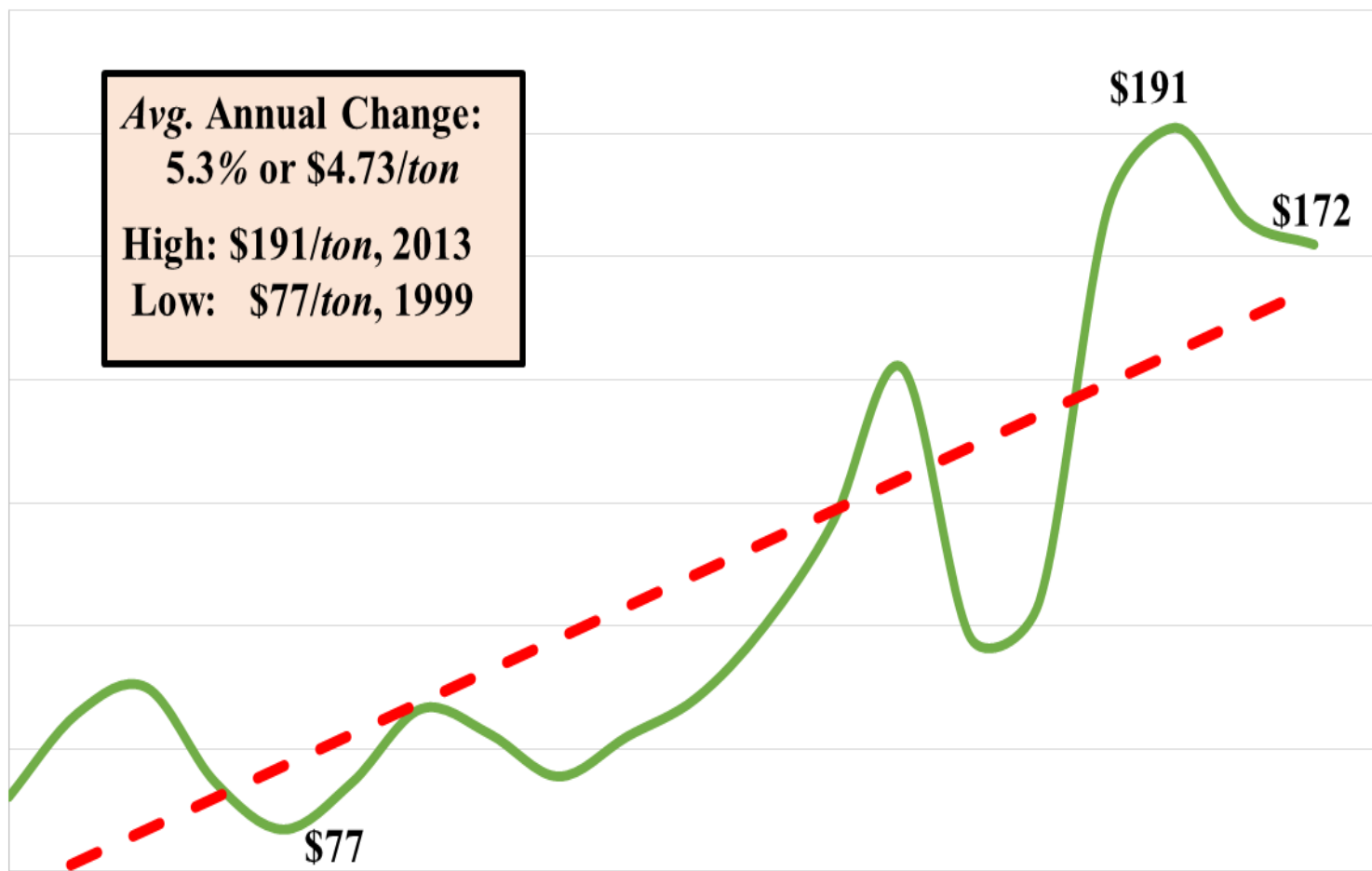
2007

2009

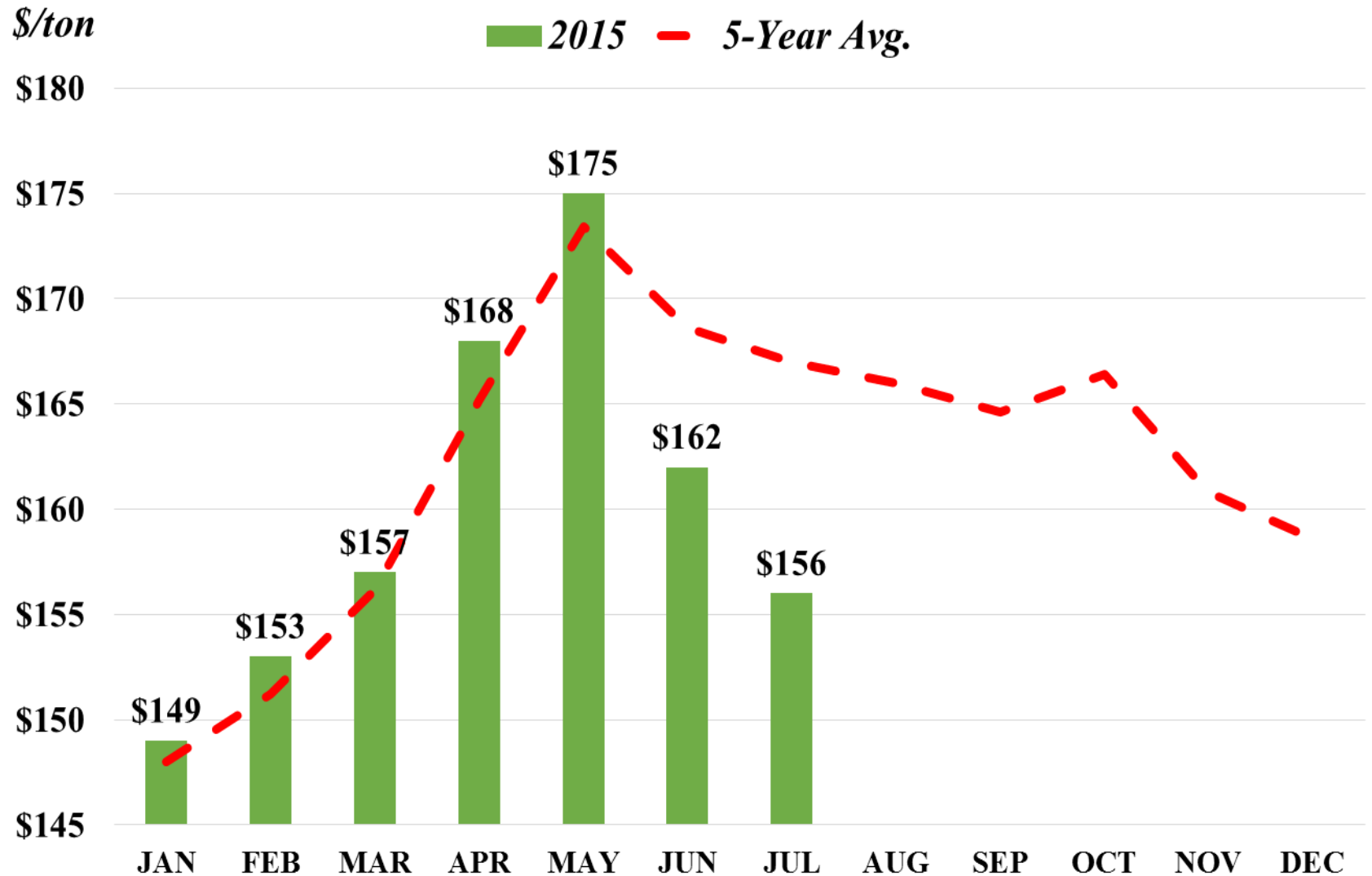
2011

2013

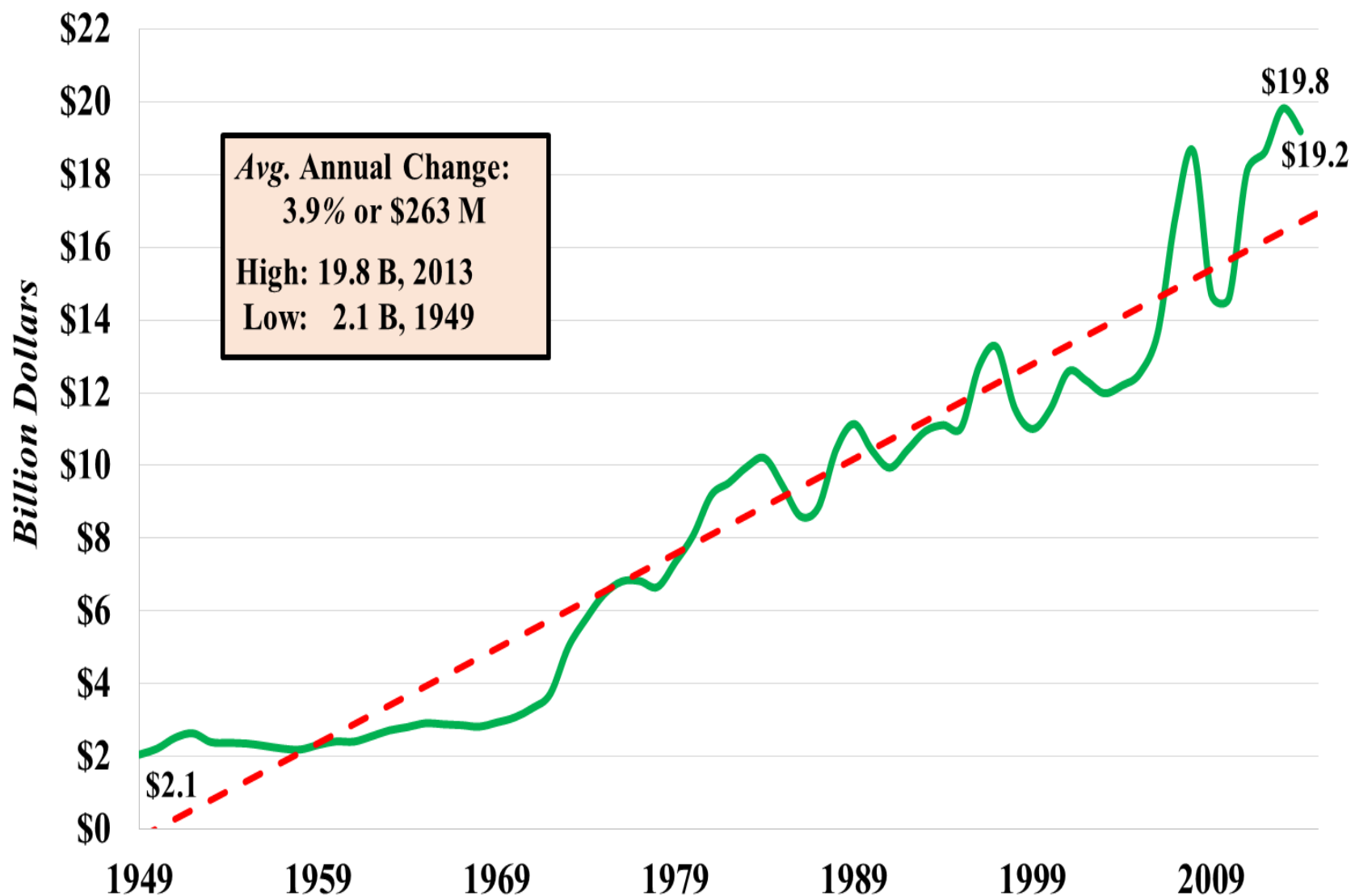
2015



# U.S. Monthly Average Hay Prices, \$/ton



## Value of U.S. Hay Production, Billion Dollars, 1949-2014



# Corn Prices Impact The Value of Forage

## CME Corn Futures

- December 2015 – December 2018
- \$3.75 - \$4.30, *\$/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*

# 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...**



If everything goes as I have it planned  
Auburn should win another National  
Championship in 2017.  
(2016-2017 Season)



**Even with all our technological advances it continues to be cheaper to let the cows harvest the grass.**





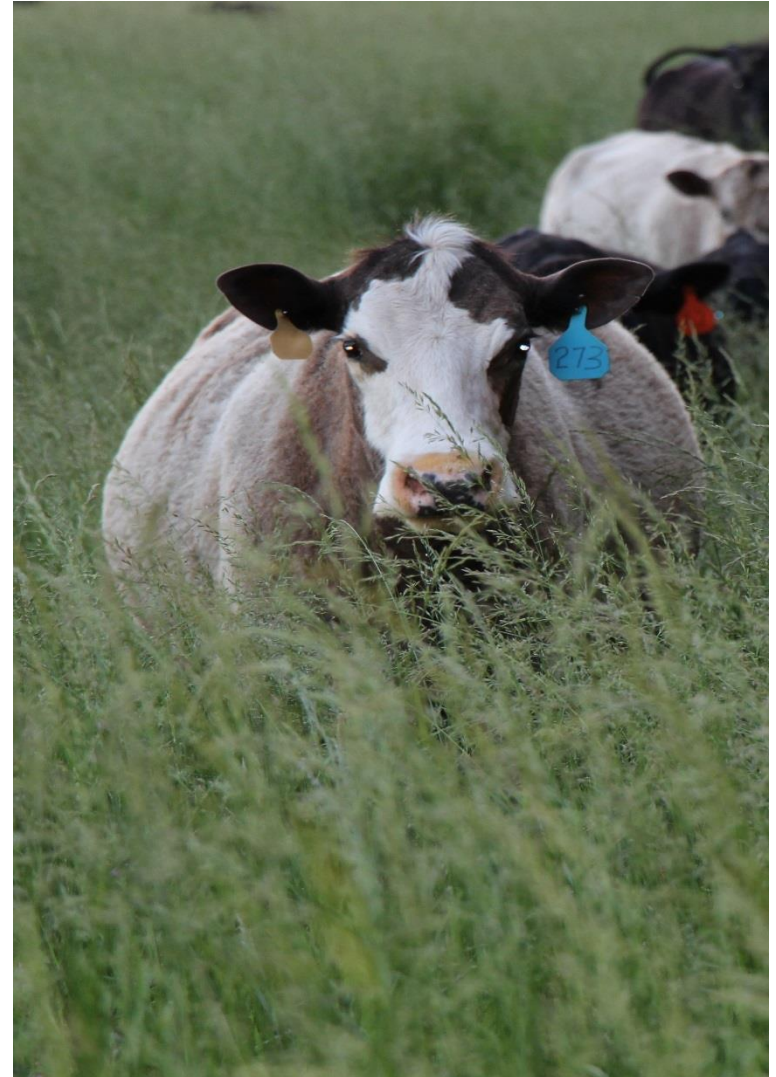


**Pasture and Range Conditions overall are expected to be about average.**

- 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...



# Stocker Producers

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

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