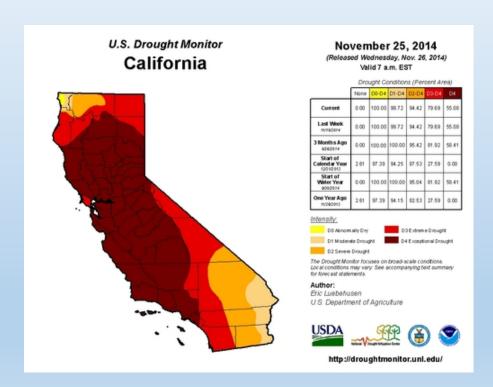


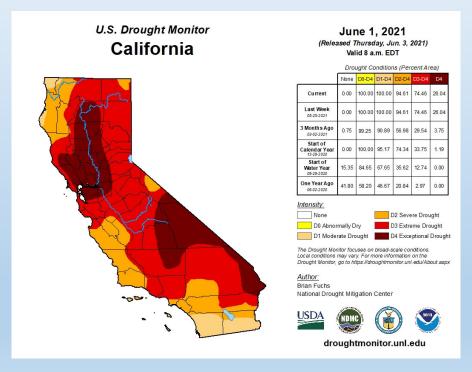
#### Road Map

- Drought Conditions how does 2021 compare?
- Drought Management Basics a brief overview
- But what will it cost? A quick economic analysis of drought strategies
- Questions

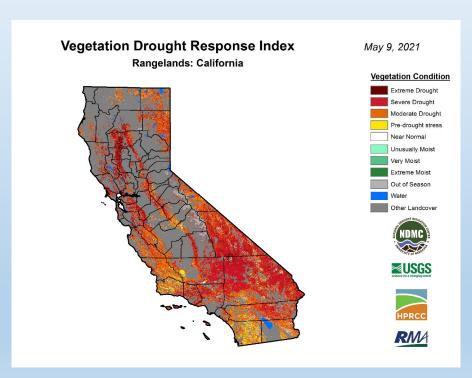


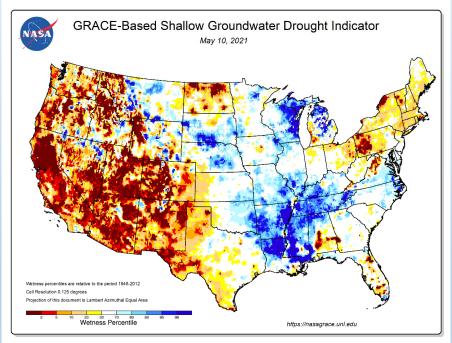
# A Tale of Two Droughts...





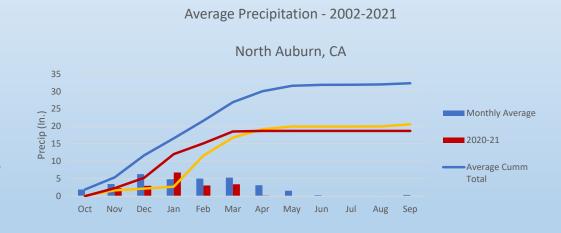
# But what about rangeland conditions?





#### How did we get here?

- Lower than average precip in 2019-20 water year
- Higher than "normal" summer/fall temperatures in 2020
- Late germination in foothills
- Lowest YTD precip since I've kept records.



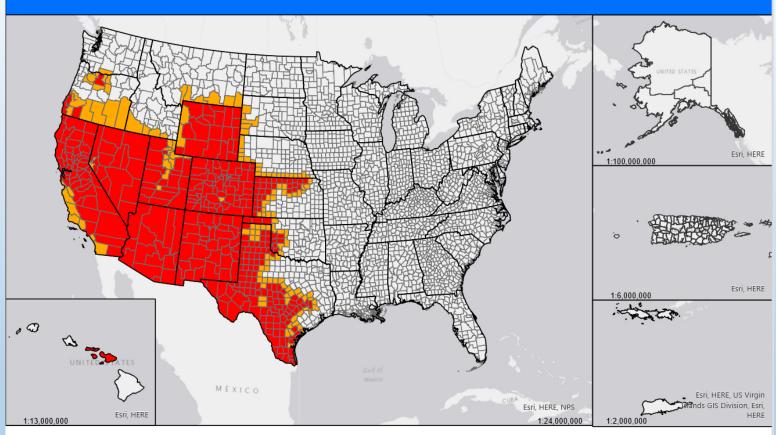


# **Spring 2021 Observed Impacts**

- Little to no flow in seasonal creeks
  - Lack of soil moisture
  - Lack of stock water
- Minimal runoff from snow melt due to dry fall conditions
- Lack of surface water in storage = reduction in irrigation water

- Spotty forage production
  - Some regions seem to be close to long-term average
  - Other regions have signification reductions
  - Peak standing crop 30 days early
- Fuel moisture levels 45-60 days ahead of normal

#### **2021 Secretarial Drought Designations - All Drought**





United States Department of Agriculture Farm Service Agency Program Delivery/Safety Net Division March 24, 2021 Secretarial Drought Designations for 2021

Disaster Incidences as of March 24, 2021

Primary Counties: 379
Contiguous Counties: 147

	Forage Supply Flexibility	Forage Demand Flexibility
Proactive Tools		
Reactive Tools		

	Forage Supply Flexibility	Forage Demand Flexibility
Proactive Tools	<ul> <li>Conservative stocking rate</li> <li>Grass-banking</li> <li>Pasture rest</li> <li>Pasture/range insurance</li> </ul>	<ul> <li>Identifying animals that could be sold</li> <li>Incorporate additional classes of livestock</li> <li>Multi-species grazing</li> </ul>
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# What's your Drought Plan?!

- How does your forage supply look for the next 12 months (by month)?
- If forage is inadequate, why?
  - Quality
  - Quantity
  - Stock water

- What are your options for balancing forage supply with forage demand?
  - Review reactive strategies
- What is your critical date
  - when do you need to make a decision?

#### **Economic Considerations**

- Partial budgeting can help us evaluate options
  - Increases in revenue or decreases in expenses (+)
  - Decreases in revenue or increases in expenses (-)
- What are the tax implications?

- Where are the markets?
  - Cull animals
  - Replacement animals
  - Feeders
  - Pairs
  - Grain markets
  - Hay markets

#### **Ecological and Livestock Considerations**

- Range vegetation is already stressed from lack of moisture – this isn't the time for heavy grazing.
  - Potential to create future invasive weed problems.

- Toxic plants can be an issue in short feed years
- Nitrate accumulation can also be a problem
  - Fertilized pastures
     without sufficient
     irrigation can concentrate
     nitrates.

#### An example...

- Assumptions
  - 100 breeding-age females (cows and heifers)
  - Pasture hay is \$240/ton delivered (big bales)
  - Labor to feed hay is \$15/hour
- 2 Alternatives
  - 1. We are out of forage will need to put cattle on full feed for 60 days.
  - 2. We are considering weaning our calves early

# An example (continued...)

# Alternative 1: Out of Feed: feeding hay for 60 days

Total Hay Cost	\$25,644
Total Additional Labor Cost	\$900
Total Additional Cost	\$26,544
Cost per Day	\$442
Cost per Head	\$255

# An example (continued...)

# Alternative 1: Out of Feed: feeding hay for 60 days

Total Hay Cost	\$25,644
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Cost per Day	\$442
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# Alternative 2: Weaning Early: steers weigh 405; heifers weigh 395 (normal average: 600/575)

Reduction in Calf Income	\$17,810
Estimated Savings (Hay)	\$21,252
Net Change in Income	\$3,442

# An example (continued...)

# Alternative 1: Out of Feed: feeding hay for 60 days

Total Hay Cost	\$25,644
Total Additional Labor Cost	\$900
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#### Other Considerations

- Is this truly a full-feed situation, or can you stretch dry forage by feeding supplemental protein?
- Do you have any sunk costs (e.g., are the cows bred AI to an expensive bull)?
- Will you even be able to find hay? Are there alternative feeds to consider (e.g., almond hulls, corn stover, rice bran, etc.)?

# Alternative 2: Weaning Early: steers weigh 405; heifers weigh 395 (normal average: 600/575)

Reduction in Calf Income	\$17,810
Estimated Savings (Hay)	\$21,252
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#### Other Considerations

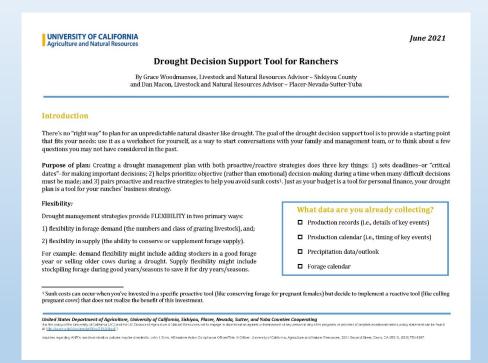
- Will you have additional expenses (shipping, etc.)?
- What is the market for light calves? What other markets may influence this (e.g., grain markets, etc.).
- Will there be future costs (e.g., will buyers experience more health issues, etc.)?

#### A Few Final Thoughts...

- Sometimes, a combination of these tools might make the most sense (e.g., selling older cows and weaning early).
- Selling breeding animals could have tax implications talk to your accountant!
- Are there multi-year impacts from this year's drought strategies:
  - For example: If you let body condition decline, will this impact future conception rates?
- WHAT ARE YOUR CRITICAL DATES?
- What are your plans for recovery once the drought is over?



# **Drought Decision Support Tools**



# Drought Strategies Worksheets - Instructions These worksheets are designed to help you evaluate a variety of drought strategies, from full feeding to culling to early weaning. To complete each worksheet, you'll need to have a general idea regarding the size of your cattle, as well as current prices and input costs. For a more thorough analysis, consider developing partial budgets to estimate changes in revenue and expenses from each strategy. Each worksheet includes an example analysis to help you itemize and compare your own numbers. This example is based on a 100-cow operation. Enter your information into the YELLOW CELLS. RED CELLS will be calculated automatically. If you have questions about the worksheets or need assistance running these analyses, contact Dan Macon at dmacon@ucanr.edu or Grace Woodmansee at gwoodmansee@ucanr.edu.

Available to pilot test at <a href="https://ucanr.edu/sites/Livestock/Drought/">https://ucanr.edu/sites/Livestock/Drought/</a>



# For more information

Dan Macon – <u>dmacon@ucanr.edu</u>

https://ucanr.edu/sites/Livestock/

https://ucanr.edu/blogs/RanchingintheFoothills/index.cfm

http://rangelands.ucdavis.edu/drought/

