

2015 Montana Agricultural Outlook

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**Data Source: National Agricultural Statistics Service
Montana Field Office (Eric Sommer, Director)**



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2014/15 Overview–US

Crops

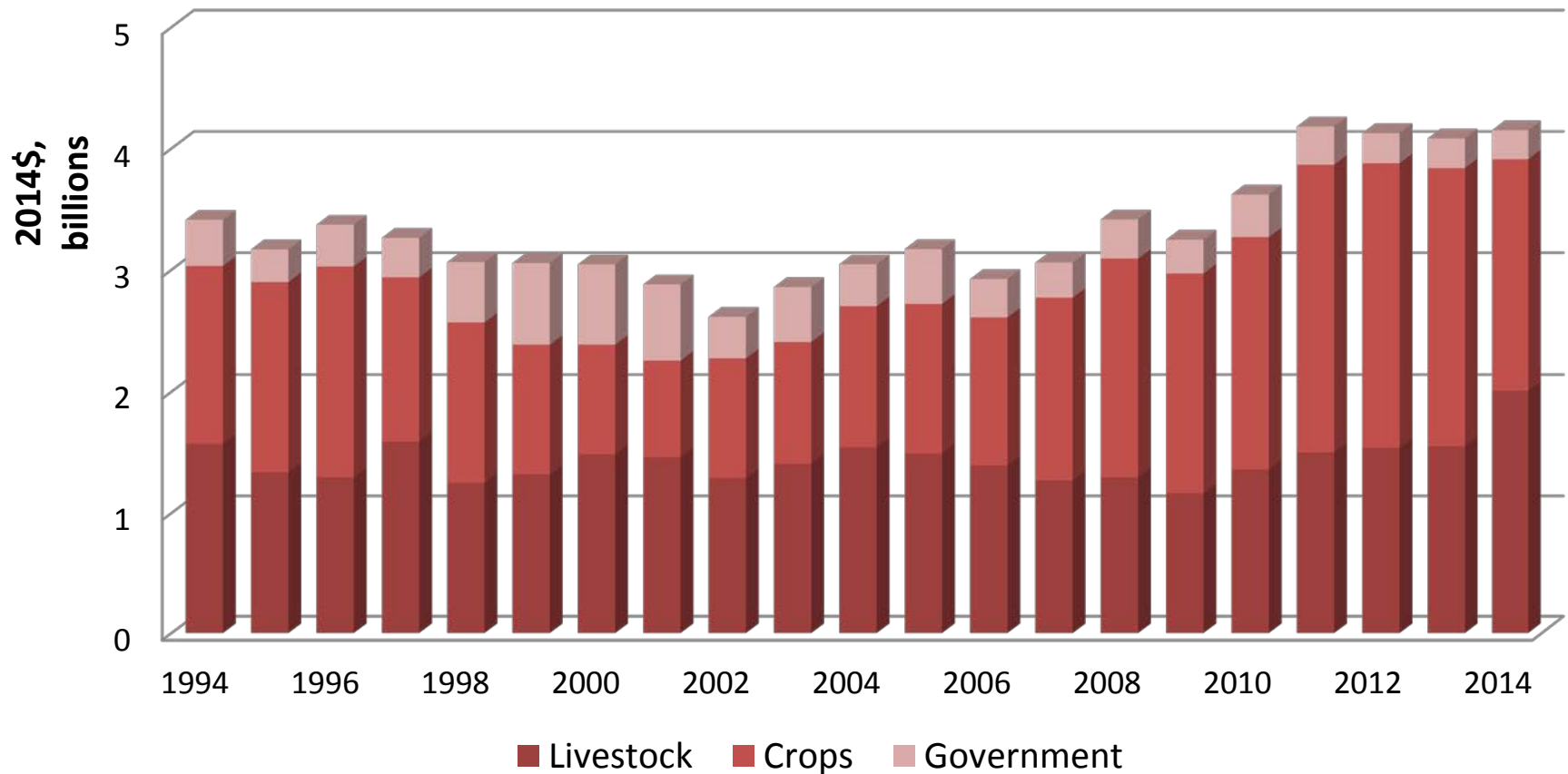
- Wheat & barley prices – down...but better than predicted
- Wheat & barley production - down
- Pulse crop production continues to increase

■ Cattle

- Cattle and calf prices – very strong
- Cattle herd – small, shrinking

Montana

Gross Revenue Estimates



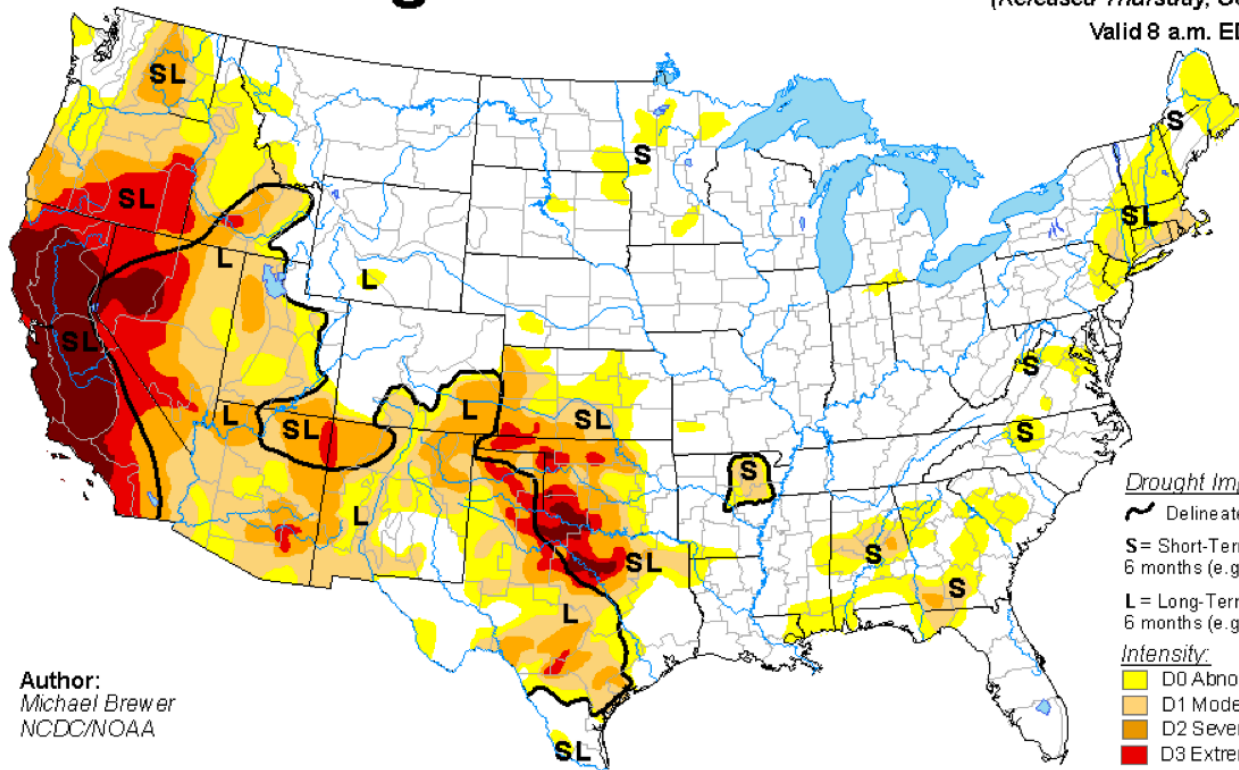
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U.S. Drought Monitor

October 21, 2014
 (Released Thursday, Oct. 23, 2014)
 Valid 8 a.m. EDT

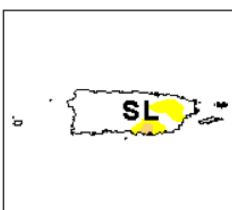
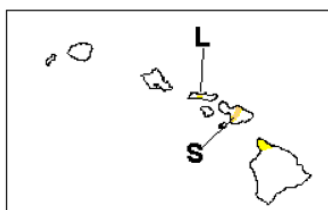
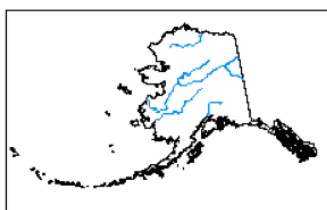


Author:
 Michael Brewer
 NCDC/NOAA

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:
 Yellow: D0 Abnormally Dry
 Orange: D1 Moderate Drought
 Red-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/>

Drought Status – October 2014



<http://drought.mt.gov>

Montana Water Supply and Moisture Status by County - October 2014

Map Key

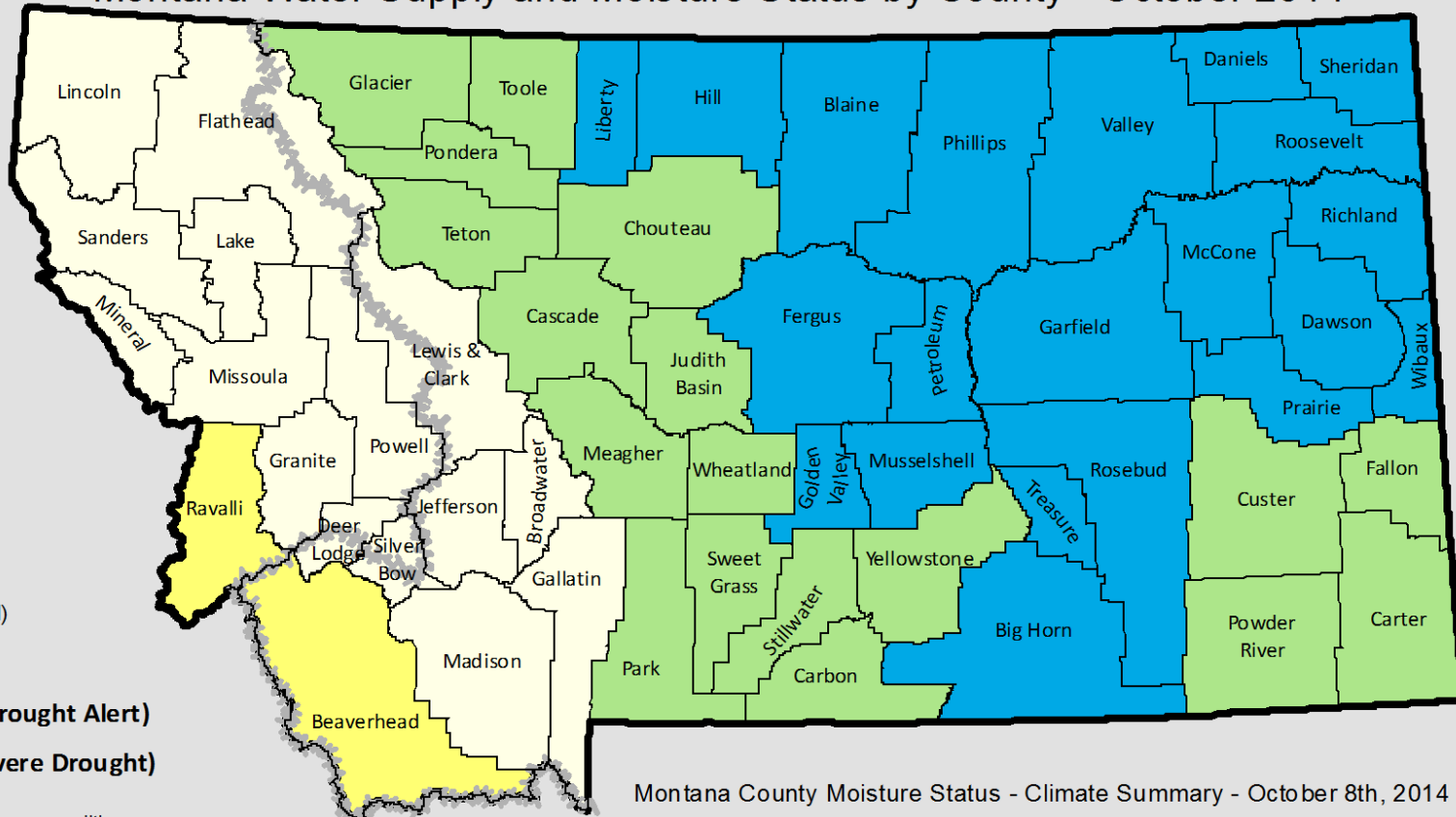
Drought Impact Type

Continental Divide

Moisture Status

- Extremely Moist
- Moderately Moist
- Slightly Moist
- Near Average (Normal)
- Slightly Dry
- Moderately Dry **(Drought Alert)**
- Extremely Dry **(Severe Drought)**

Drought Impact Types -



Montana County Moisture Status - Climate Summary - October 8th, 2014



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Drought Status – September 2014



Photo courtesy Marko Manoukian, Phillips County Extension



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CATTLE

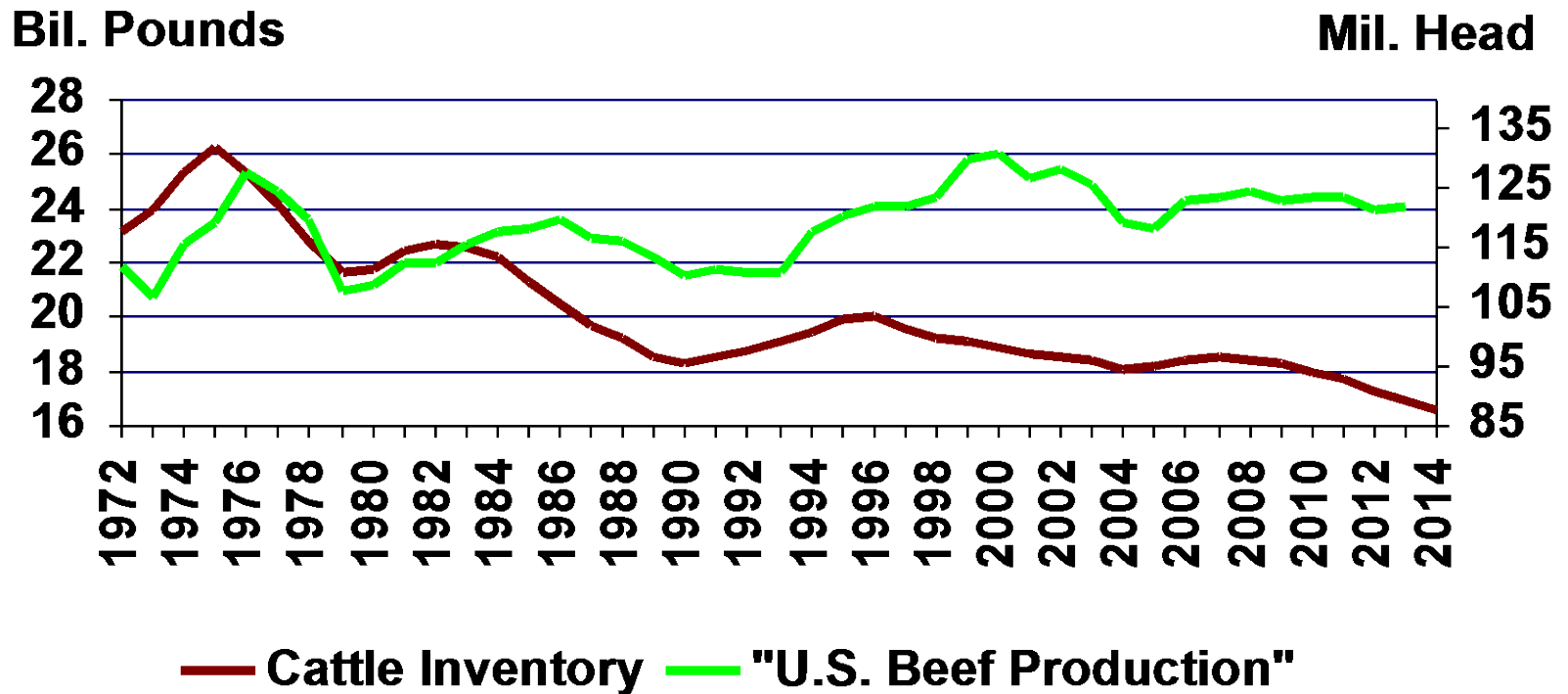


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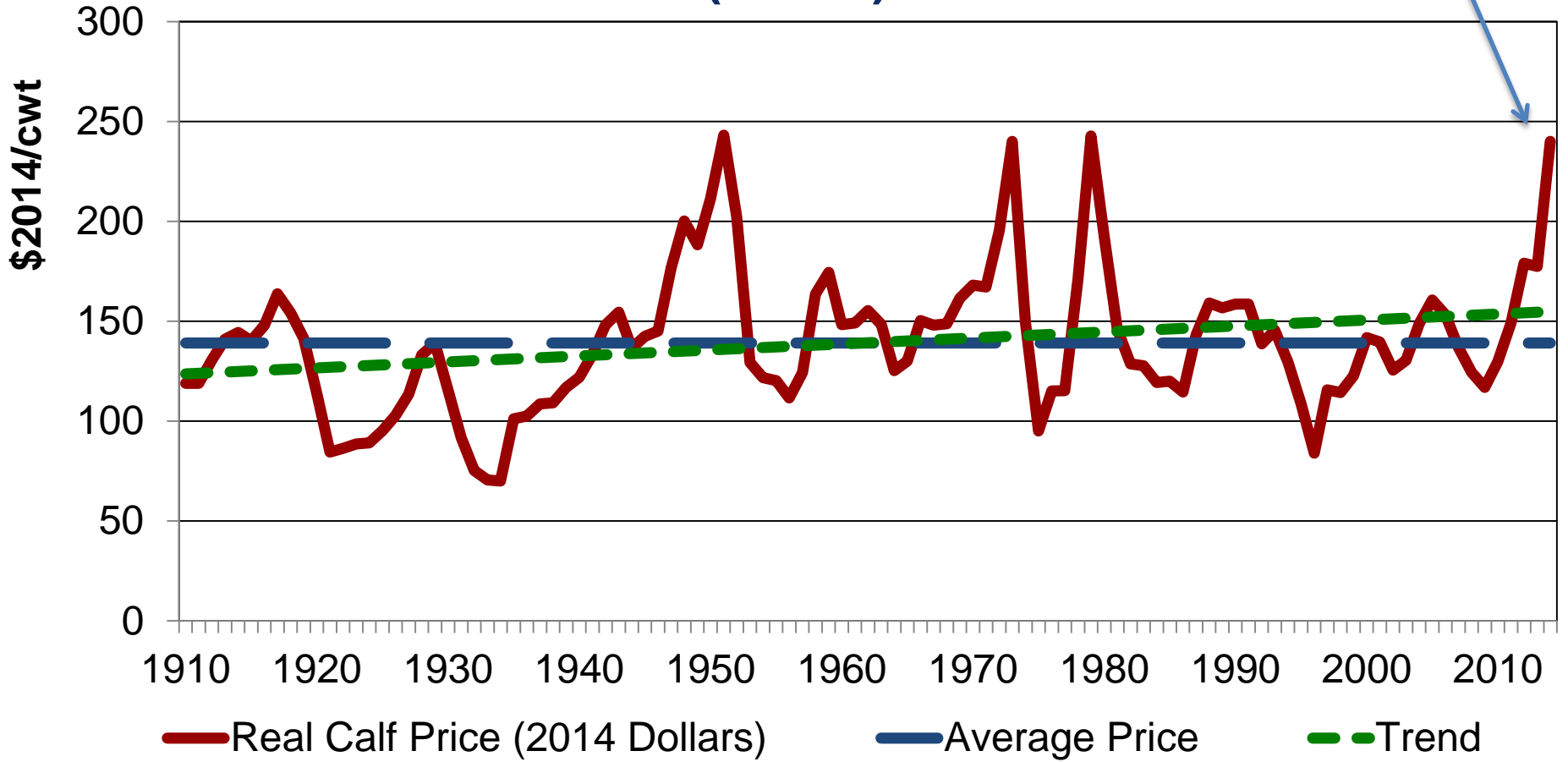
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US Beef Production and Cattle Inventory (January 1, 2014)



Beef Calf Price (\$2014)



Current price = \$220.



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Futures Prices

(no basis adjustments – 02/12/2015)

Location	05/15	08/15	010/15	11/15
Chicago Mercantile Exchange				
Feeder Cattle, \$/cwt	200	200	202	200
Live Cattle, \$/cwt	151	142	145	145

- Futures down 10% since late December



Supply Decline

- **Cost factors**
 - Drought
 - Grazing availability
 - Labor

- **Alternative production factors**
 - Crop profitability
 - Crop insurance
 - Age

Demand Increase

- **Domestic demand slightly stronger**
- **Foreign demand increasing**
 - Increasing incomes
 - Increasing population

Montana Cattle 2015/16

- **High prices for cow/calf producers**
 - Optimistic about calf prices for a few years at least!

- **MT, US cattle inventory flat**
 - Uncertainty may be the issue
 - COOL and WTO rulings?
 - Global macroeconomic conditions
 - Consumer demand
 - Quality issues



CROPS (*GRAIN, HAY & PULSES*)



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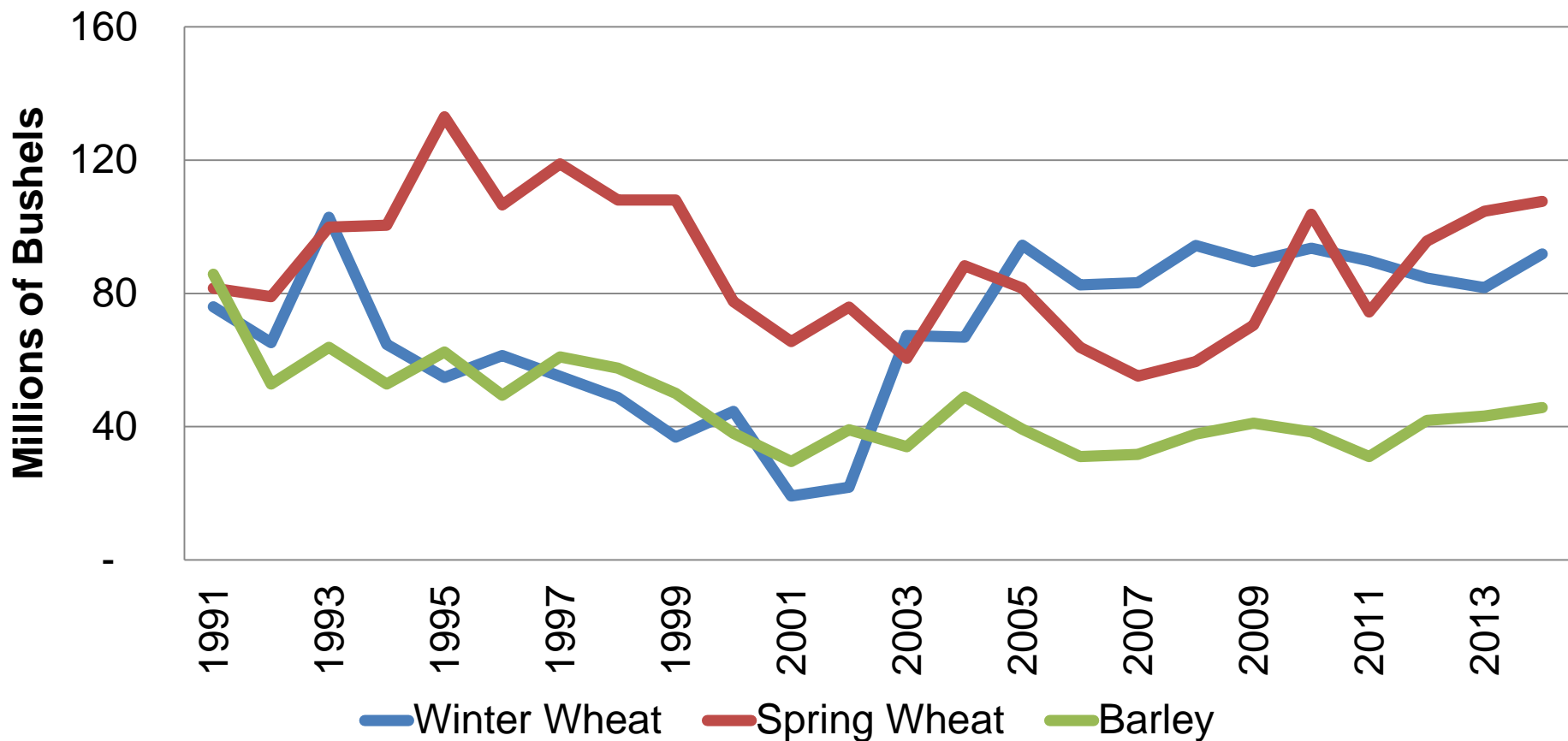
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Global Wheat Production Shares

	2013/14		2014/15	
	mmt	%	mmt	%
Canada	38	5	28	4
China	122	17	126	18
EU-27	143	20	151	21
India	94	13	96	13
FSU-12	104	15	112	16
U.S.	58	8	55	8
Other	157	18	152	18
Total	715	100	720	100



Montana Grain Production

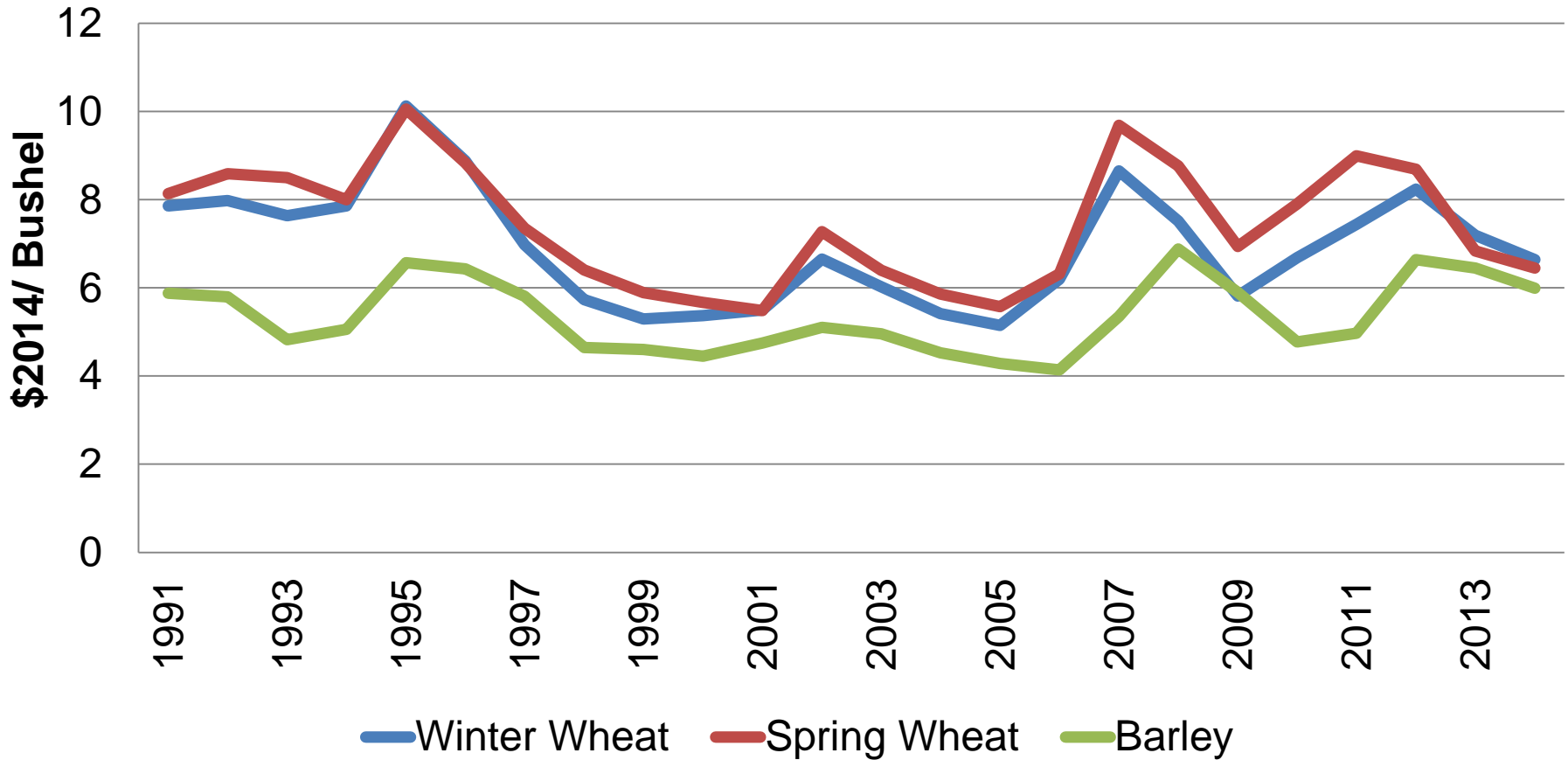


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Montana Grain Prices (2014\$)



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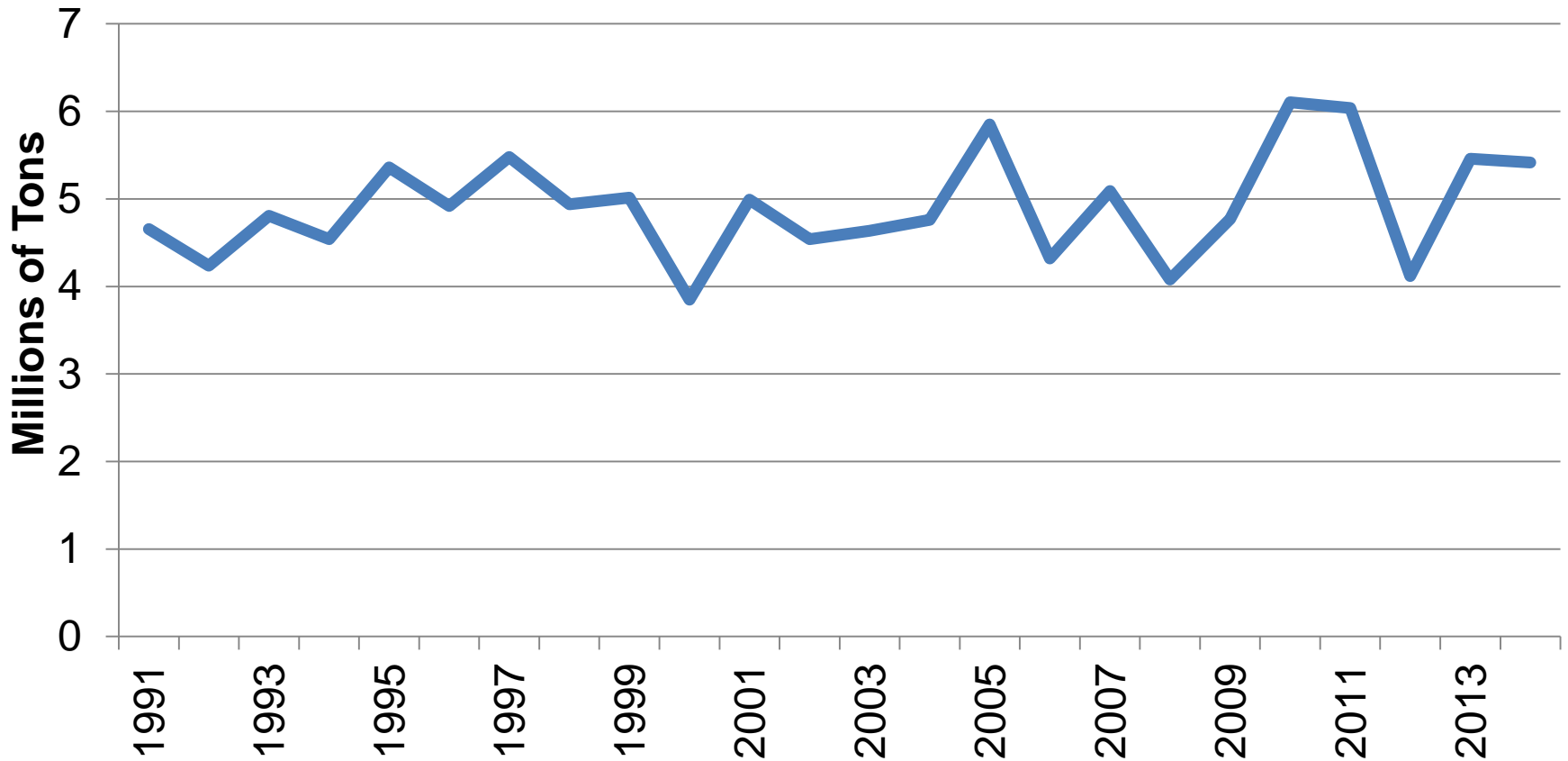
Futures Prices

(\$/bu, no basis adjustment – 02/12/15)

Location	05/15	07/15	09/15	12/15
Minneapolis Grain Exchange Hard Red Spring Wheat	5.76	5.79	5.86	5.95
Kansas City Board of Trade Hard Red Winter Wheat	5.55	5.59	5.69	5.83
Chicago Board of Trade Corn	3.92	4.00	4.06	4.14

Wheat gained \$0.80/bushel in 12/14; corn up \$0.30

Montana Hay Production



U.S. total production strong—
149 million tons

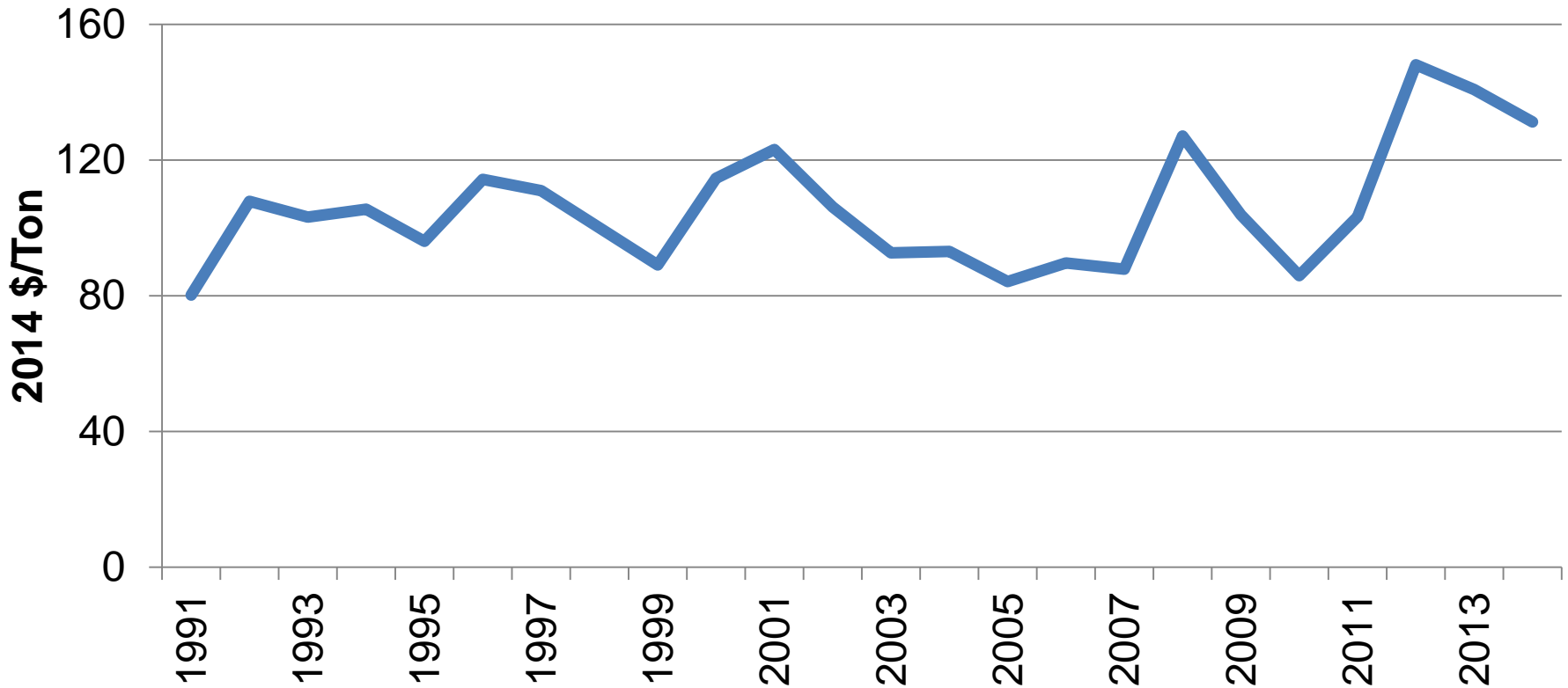


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Montana Hay Prices (\$2014)

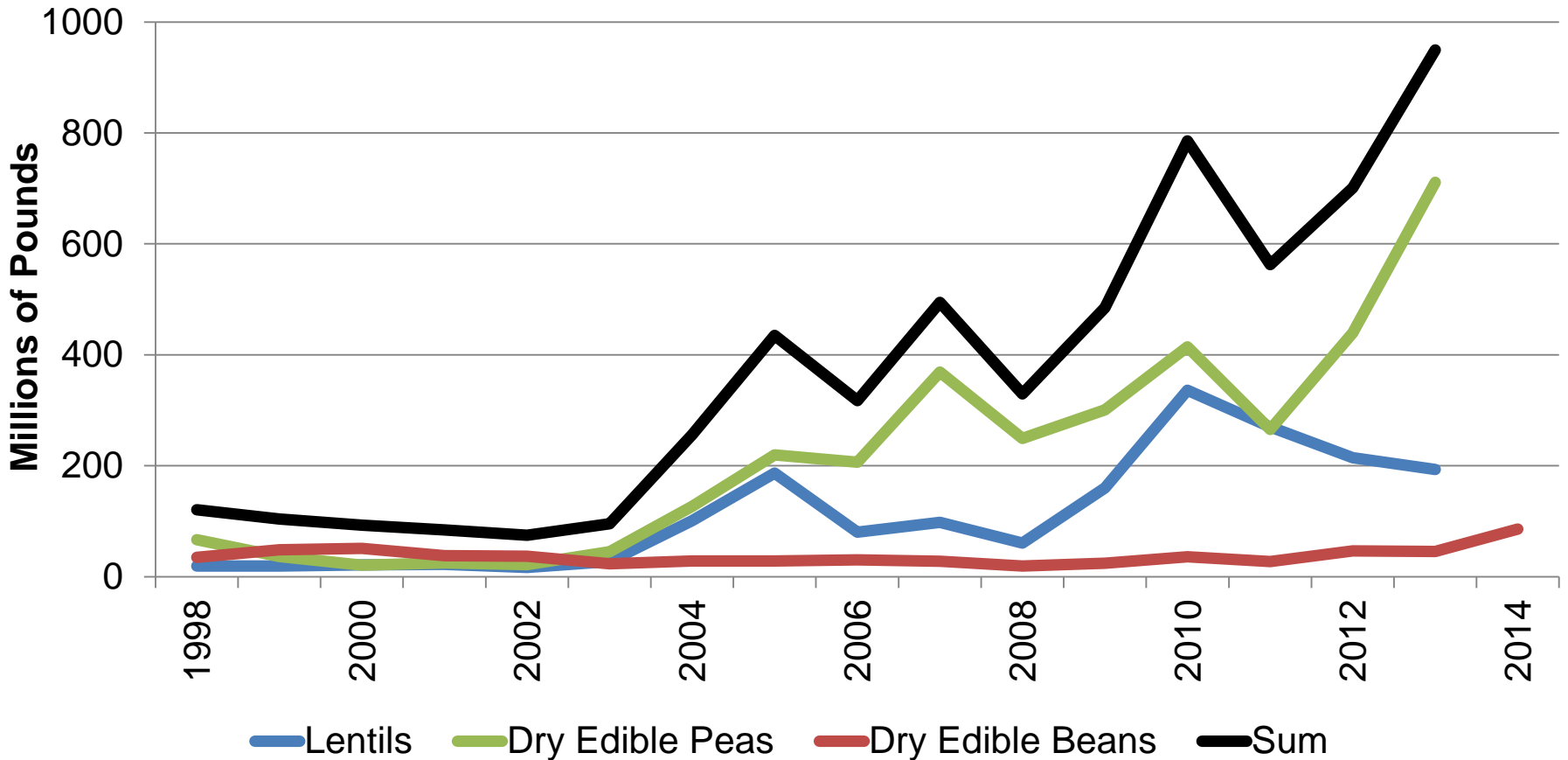


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Montana Pulse Production

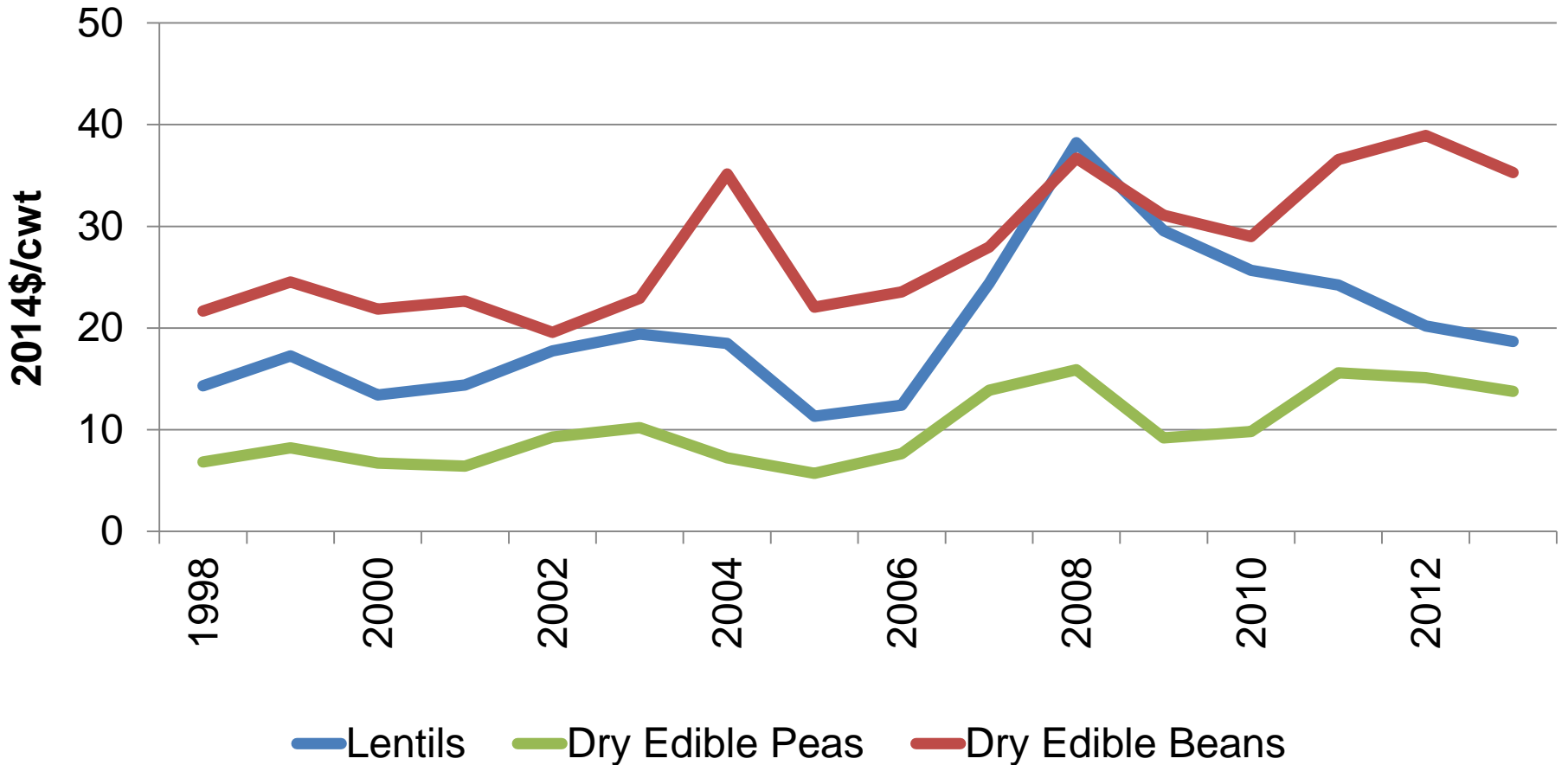


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Montana Pulse Prices (\$2014)



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Montana Crops 2015/16

- **Production**

- Strong
- Pulse crop production continues to grow

- **Prices**

- Inching up...but not very far...
- Global production strong



Questions?

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