

At the recent USDA Agricultural Outlook Forum, USDA Agricultural Economist Pet Riley listed his top factors affecting this year's crop price outlook. After listing them all with equal emphasis on slide, he presented them on another slide depicting importance. **That slide showed "WEATHER" in bold and a typeface several times larger than all of the other factors.** In fact, the audience could hardly read the other items on the slide as "WEATHER" dominated.

We recall no time in our careers in which weather has been so important to both grain and livestock producers as it is this year. Weather was no doubt a focus in the springs of 1984 and 1989 following significant, drought-driven shortfalls in crops the previous years. But those years both had substantial grain stocks in place that significantly blunted the impacts of the respective droughts. This year, as you are sorely aware, is quite different. So weather will remain a focus as we go into planting season and as livestock producers — and especially cow-calf operations—contemplate appropriate business plans for this year and next.

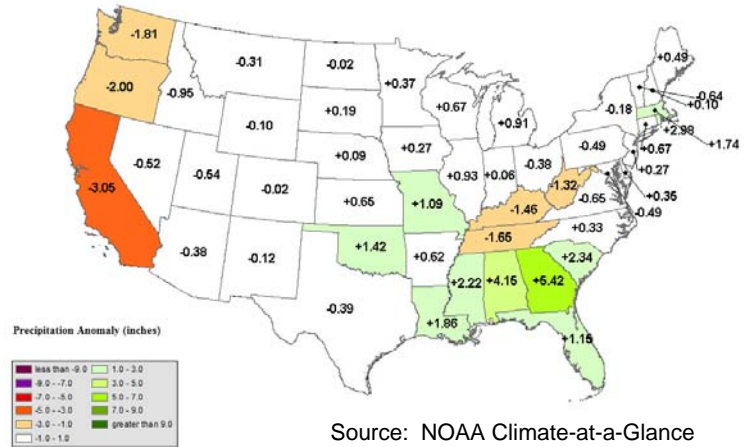
**And recent developments are indeed encouraging on the weather front.** The top figure at right shows precipitation anomalies by state for the month of February. As "anomalies", these figures represent the departure of statewide average rainfall from its long-term norm. It is clear that the southeastern U.S. has caught up significantly in terms of moisture. Georgia and Alabama both received over 9 inches of precipitation in February while Mississippi got over 7 inches and Louisiana and South Carolina received over 6. Florida remains very dry but got greater-than-normal rainfall in February as well.

Rainfall conditions in these states are most important, of course, for the cotton and cow-calf sectors but will be more important than normal this year for soybeans and corn. While not at the record ratios of last summer, prices of those two commodities still compare very well to cotton, a fact that could drive some acreage shifts this spring. Perhaps more important will be the timing of harvest for these southern acres as many of them may well be mature and in the bins before the end of the current crop year. With feed grain and soybean supplies squeaky tight this summer, any early-harvested amounts could be critical for feed availability and late-season prices.

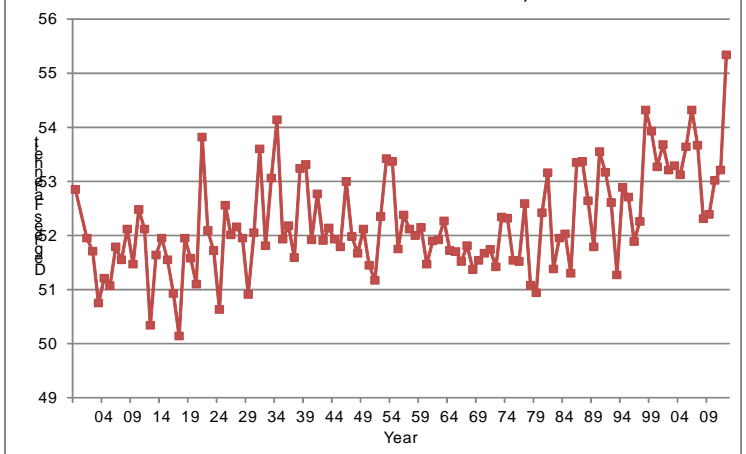
The positive anomalies for the Cornbelt are not large but they are indeed positive — a fact that we must appreciate. It is important to note that a positive anomaly here still does not imply that much rain/snow actually fell in these areas as winter months are always dry. The +.93-inch anomaly for Illinois was still only 2.8 inches of moisture. Iowa's +.27 inches represents only 1.3 inches of total precipitation. But positive is positive and the National Weather Services drought monitor maps (available at [www.droughtmonitor.unl.edu](http://www.droughtmonitor.unl.edu)) have shown steady improvement. Much more moisture is still needed in the Northern Plains — a factor of particular importance to cow-calf operations.

**A factor to watch, however, is temperatures.** As can be seen in the chart above, the average temperature for the United States was far and away record-high last year at 53.4° Fahrenheit or 13° Celsius.

## STATEWIDE PRECIPITATION ANOMALIES, FEBRUARY 2013



## U.S. AVERAGE TEMPERATURE, ANNUAL



us. And regardless of why it may be occurring, the upward trend of temperatures since 1980 is quite obvious. That annual temperature, of course, was influenced by last year's mild winter as well as record or near-record high temperatures last summer. July's national average temp of 76.9° F broke the 1934 record high of 76.2° F.

The good news is that this year has started off better in terms of temperature. Last year's average for January and February was nearly 37° and just fractionally lower than the record high of 1998 and number two 2006. Will a lower annual average driven by a more normal (33.3°F so far) winter mean fewer or lower high temperatures this summer? There is no guarantee, of course, but we'll "shoot at everything that rises and claim everything that falls" at this point!

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