

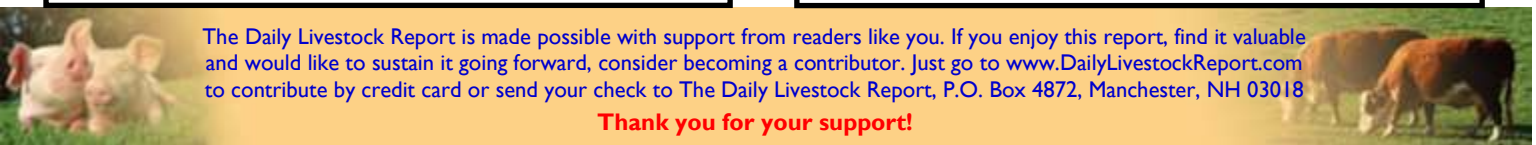
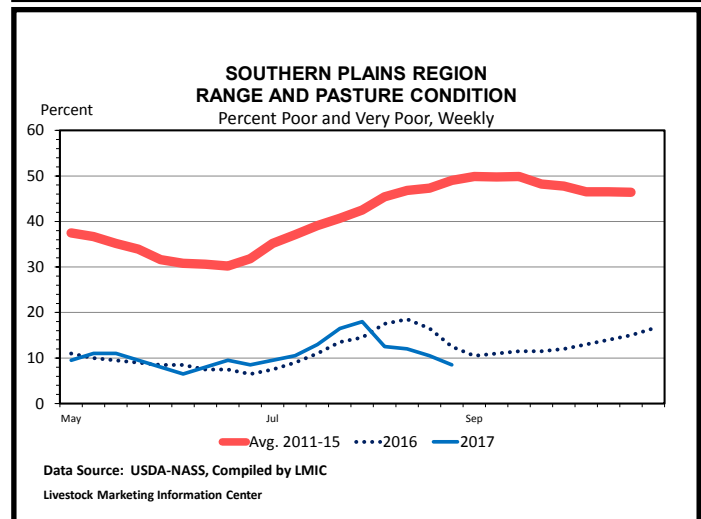
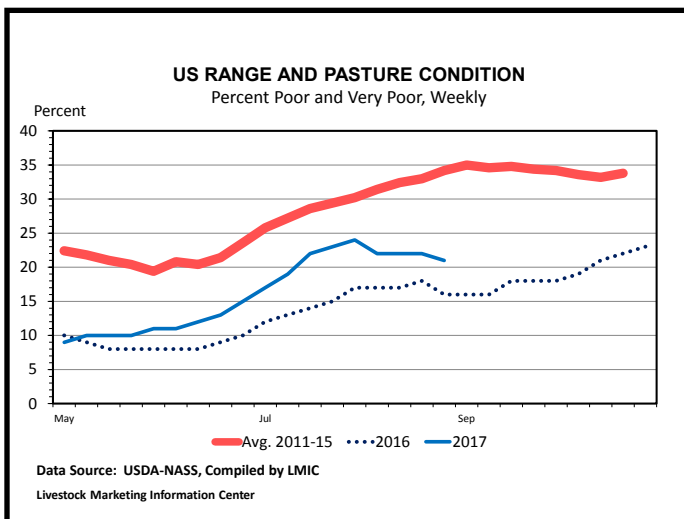
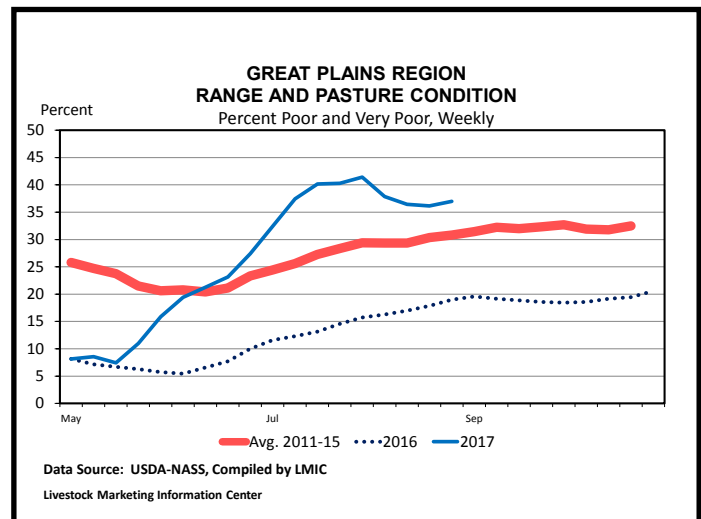
Nationally, as of early September, U.S. range and pasture conditions improved slightly compared to early August's. The two exceptions in major beef cattle states were Montana and Wyoming. Condition ratings are compiled and published as part of the weekly Crop Progress report by USDA's National Agricultural Statistics Service (NASS). The latest report was released on Tuesday.

In the cattle sector, poor range and pasture conditions will cause producers to make adjustments, including selling breeding animals, if necessary. In the latest NASS report, the national percentage of grassland rated in the two worst categories ("poor" or "very poor") was 6% compared to 5% a year ago. Overall U.S. conditions are better than the prior 5-year average (2011-14) as depicted in the graphic below. The region with significant drought and poor grazing conditions are the northern states of the Great Plains (Colorado, Kansas, Montana, Nebraska, North Dakota, South Dakota, and Wyoming). Importantly, conditions in the Great Plains as a whole did not continue to deteriorate during August. In the Southern Plains, the forage situation remains quite good.

As we look ahead, there are two major fall/winter zones of the U.S. where lightweight calves graze pastures and typically put on several hundred pounds during that season (often referred to as winter stocker programs). Small grain (e.g., wheat) grazing areas of the U.S. encompass Oklahoma, much of Texas, and into surrounding states (e.g., southern Kansas). Note last year the number of head grazing wheat in Kansas was the largest in many

years according to University Extension Specialists. The second major zone is the coastal areas of the Pacific states (e.g., California). Of course, all the winter stocker zones depend on timely rain.

Observations by our colleagues in the Southern Plains are that above normal precipitation and below average temperatures have set-up small grain grazing to be the best in many years. Of course, things can change. Also, given the historically low wheat prices, more acreage than normal may be "grazed out," that is pastured longer than typical not harvested for grain. In the Pacific coastal grazing areas, it's still too early to gauge their stocker prospects.



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