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## **Drought Risk Management: Tool and Strategies for Utah Livestock Operators**

RightRisk recently offered a program covering drought risk as part of the Ranching in a Time of Uncertainty Conference in Roosevelt Utah. Topics included current conditions faced by livestock producers across the west and a forecast for Duchesne and Uintah counties.

Two of the many insurance programs available for transferring risk to a third party (backed by the USDA Risk Management Agency) were discussed in detail. These programs included Livestock Risk Protection (LRP) for cattle and Vegetation Index-Pasture, Rangeland, Forage insurance (VI-PRF).

Dr. Jay Parsons, a Risk Management Specialist with Colorado State University, stated "LRP could be a very valuable tool for managing market risk over the coming year, where calf prices will be somewhat volatile."

His examples showed that Utah calf producers (under 600 lbs.) could effectively guarantee a price of \$151.34/cwt after covering insurance premiums. These prices were estimated using current RMA coverage prices listed at [www.rma.usda.gov](http://www.rma.usda.gov). They can be accessed through the Information Browser under Quick Links and by selecting Livestock Reports (LRP and LGM). Livestock Risk Protection (LRP) is also available to cover lambs and cattle weighing 600-900 lbs.

A second insurance product is available to help producers protect against the loss of forage known as Vegetation Index-Pasture, Rangeland Forage insurance. Parsons noted that "VI-PRF may be used to protect against losses in forage production due to natural hazards such as drought."

He explained that the product is based on an index estimated for local grids, using satellite images collected by the U.S. Geological Survey. Coverage levels are flexible and managers may select the time period during the year when policy protection is in place.

Parsons' slide presentation demonstrated how VI-PRF would work if coverage had been in place for an example property in Duchesne County. Examples included both grazing land and hayland in the county. He pointed out that individuals can investigate coverage for their own operations by using the VI-PRF decision tools at <http://agforceusa.com/rma/ri/prf/maps>.

Parsons rounded out the Drought Risk Management portion of the program by discussing three electronic tools from RightRisk for evaluating risk management strategies. These include a partial budget tool, an enterprise analysis tool, and a whole farm financial analysis tool. All three are available with an accompanying guide on how a producer may enter their own data for analysis.

Other presentations offered at the Ranching in a Time of Uncertainty Conference included, Vaccinations & Calving by Dr. Blaine Whiting and Sage Grouse Conservation by local ranchers.

Handouts, electronic tools to help evaluate drought management strategies and more are available from RightRisk at <http://Utah.eRightRisk.com>. Or contact RightRisk directly at [Information@eRightRisk.com](mailto:Information@eRightRisk.com).

Conference sponsors: RightRisk, LLC, Custom Ag Solutions, USU Duchesne and Uintah County Extension, Utah Grazing Improvement Program Natural Resource Conservation Service, Farm Service Agency Utah DWR, Utah Farm Bureau, US Fish & Wildlife, and the USDA Risk Management Agency (RMA).