

# New Mexico Drought Strategies

The on-going drought in New Mexico and surrounding regions is having immediate impacts, and with each passing day is more likely to have production and market impacts into the future. It is difficult to determine the exact production and marketing impacts of the drought but some indications are emerging. The contrast between beef cow slaughter nationally and in the drought region clearly indicates that the impacts are significant. For the year to date, beef cow slaughter is down 4.4 percent nationally, while beef cow slaughter in [Region 6](#), which closely corresponds to the drought area, is up 11.7 percent.

Depending on how much additional drought liquidation occurs, beef herd liquidation will extend and exaggerate the current reduced animal inventories by at least another year. Herd growth rates will be limited when they finally do start, so it is likely to take at least 4-6 years for any significant herd rebuilding. The good news is that current and future market fundamentals point to several good marketing years ahead, and herein lies the challenge. The principal challenge for NM range livestock producers is to maintain production and for inventories to be in a position to cash in on what promises to be several good marketing years ahead.

Management of the ranch during a drought depends on the balance between stocking density and the availability of feed and water. Producers who survive best during a drought are those who adopt sound management and financial plans and review them regularly. Early decisions need to be based on what relief measures are potentially available on the ranch, and how best to employ them.

Drought management strategies may be divided into several categories, but the key point to remember is that drought management is about taking the "guess work" out of decision-making. A drought management plan should help producers take control of their production and marketing situation. Decisions must be made in a proactive, rather than a reactive manner to minimize negative effects on rangeland and/or livestock production during prolonged periods of drought.

There are many variables that need to be evaluated in formulating your drought management strategy. The cow-calf enterprise budget is a good management tool for evaluating the production and financial implications of various drought management strategies. The ***DROUGHT MANAGEMENT RESOURCE DOCUMENT FOR NM RANGE LIVESTOCK PRODUCERS AND THE NMSU COW CALF ENTERPRISE BUDGET*** (Excel template) have been developed to assist producers with the development of their drought management strategies. Sections 1 through 5 summarize different drought topic/categories related to drought management that will allow the producer to develop more informed production and financial information for the enterprise budget analysis. Section 6 of the *Drought Management Resource Document* discusses a cow-calf cash flow enterprise budget analysis process and is supplemented with an Excel template (*NMSU Cow Calf Enterprise Budget*) to help the individual evaluate production and financial implications of different drought management strategies.

Both of these documents can be accessed at a newly established website: [New Mexico Drought Strategies](#). We will continue to update the site with additional information. We encourage and welcome your input and suggestions.

The ensuing drought in New Mexico is and will have significant natural resource/rangeland and economic impact on the New Mexico range livestock operations. Timely information and resources related to drought management can help managers minimize negative financial and rangeland impacts. Producers are encouraged to remain flexible and look for relief through imagination and knowledge.