November 2026

Monthly Market Update



Industry updates

General sentiment – *Producers navigate short-term challenges with a long-term focus.*

Farmer sentiment improved in October, according to the Purdue University-CME Group Ag Economy Barometer, driven largely by stronger commodity prices. Across the West, grain and forage prices are strengthening, while record-high cattle prices have started to ease. As a result, the sharp divide between crop and livestock profitability seen over the past two years has begun to narrow. Despite improving crop prices, record fuel costs continue to raise expenses across nearly every aspect of production, limiting the benefit of stronger commodity prices on producer margins.

Crop inputs

Diesel prices remain near historic levels.

Oil markets were volatile in October. Exports out of the Persian Gulf have returned to near pre-Iran war levels as exporters rerouted supply through pipelines and alternative shipping routes, as well as received military support on conventional shipping routes. Despite these developments, oil prices increased amid depleted inventories and the persistent risk of the conflict escalating. Diesel prices remain near historically high levels in the U.S. due to elevated crude costs and tight distillate inventories. Global diesel supplies remain constrained due to Ukrainian attacks on Russian refineries and reduced supply out of the Persian Gulf. (Refined fuel exports out of the Persian Gulf have recovered more slowly than crude oil.) Natural gas markets moved in the opposite direction, with Henry Hub prices declining in October amid strong domestic production, adequate storage, and expectations for warmer winter weather.

Transportation costs remain elevated.

Agricultural transportation costs remained elevated in October despite relatively modest underlying freight demand. Ocean freight costs for West Coast producers remain above year-ago levels as higher fuel costs and global shipping disruptions continue to affect both Pacific Northwest bulk grain shipments and containerized specialty-crop exports (see Spotlight for more information). Truckload rates remained elevated due to constrained carrier capacity and high diesel prices. Refrigerated capacity remained comparatively tight in the Pacific Northwest. Rail and intermodal volumes continued to strengthen as shippers sought lower-cost alternatives to trucking.

Fertilizer prices increase.

Fertilizer prices continued to increase in October, led by gains for nitrogen products. UAN and anhydrous ammonia showed the strongest upward momentum as tight global nitrogen supplies and disruptions to international fertilizer trade outweighed softer U.S. natural gas prices. Phosphate prices remained elevated amid ongoing Chinese export restrictions and higher input costs. USDA announced $573 million in proposed funding to support $1.34 billion of investment across eight domestic fertilizer manufacturing projects. Most of the resulting capacity will provide longer-term supply benefits rather than near-term price relief.

Almonds and pistachios – *Almond markets strengthened in October.*

California almond markets strengthened in mid-October as lower crop expectations and stronger-than-anticipated September export demand supported prices. Reports continue to suggest the 2026 crop will come in at about 2.6 billion pounds, slightly below the 2025 crop. Smaller kernel sizes, lower moisture

content, and lower Nonpareil production have been reported, while yields on pollinizer varieties, particularly Butte/Padre and California types, are coming in below expectations. While the Almond Board of California's September position report showed crop receipts were up 23% from the same point last season, the increase largely reflects an earlier harvest rather than a larger crop. September shipments also increased strongly from a year earlier, driven largely by a surge in exports to India. Indian demand was supported by tight local supplies, delayed shipments, and buying in preparation for the Diwali holiday.

Pistachio prices continued to increase in October. The industry is facing a very short crop year, with current estimates between 600 and 700 million pounds, or roughly 55-60% below 2025 production. With rising prices, producer profitability will largely be determined by whether a producer has sufficient yields and/or crop insurance. The production decline reflects the alternate-bearing cycle compounded by adverse spring weather. Marketable inshell supply is even tighter, as smaller nut sizing and elevated blank and closed-shell rates have reduced the amount of premium open-inshell product available. Despite higher prices, exports remain strong. The Administrative Committee for Pistachios' September shipment report showed exports increased 64% from September 2025, driven by gains to Vietnam, Europe, India, and Turkey.

Under the recent U.S.–China trade agreement, almonds and pistachios were included among U.S. products that may qualify for reduced Chinese tariff rates. While lower tariffs could improve direct market access for California producers, the net impact on total exports remains unclear, as traders commonly reroute product in response to changing trade policy.

Visit our **almonds and pistachios webpage** for information on trade fundamentals and tariffs.

Apples – *The 2026 apple crop appears to be of good quality and smaller than the 2025 crop.*

Apple prices held firm in October across most key varieties despite increasing new crop availability. Anecdotal reports continue to suggest the 2026 crop will be smaller year over year. Crop quality in the Northwest appears favorable overall despite challenges with drought, reduced snowpack, warmer spring conditions, wildfire smoke and August heat. Severe spring freezes across the Eastern U.S. have tightened national apple supplies, with particularly large losses reported in Pennsylvania and Virginia. Lower production levels across the U.S. should help to support prices throughout the season. Mexico's antidumping investigation into U.S. apple imports remains ongoing. Mexico is Washington's largest export market, and an affirmative finding could result in additional duties on U.S. apple shipments.

U.S. pear production is expected to decline about 15% in 2026 according to USDA. Washington production is forecast down about 4% from last year, while Oregon production is expected to decline roughly 23%. Lighter fruit set reduced yields but contributed to larger fruit sizing, while overall crop quality appears favorable. The smaller national crop should provide some support to fresh pear markets.

Visit our **apples webpage** for information on trade fundamentals and tariffs.

Cattle – *Tight supplies support cattle prices, but market risk is rising.*

Cattle prices have continued to retreat from record highs reached earlier this year. While the seasonal influx of fall calves typically puts some downward pressure on prices, the magnitude and persistence of the recent decline suggest the market is experiencing more than a normal seasonal correction. National steer prices peaked in May, stabilized briefly in July and then entered a more sustained decline in late July. By September, prices had fallen below year-ago levels. Western markets have followed a similar pattern, although the timing has varied by state. In October, Montana was the last state in AgWest's territory to fall below 2025 levels.

The pullback reflects a shift in market leverage, as weaker packer demand, processing-capacity concerns and increasing imports weigh on cattle prices. USDA cited lower-than-expected packer demand as a driver for lowering the Q3 and Q4 cattle price forecast. High cattle costs, combined with softer wholesale beef values, has pressured packer margins and reduced their willingness to bid aggressively for fed cattle.

Increasing beef imports and the gradual return of Mexican feeder cattle has eased some of the supply concerns that helped drive prices to record highs. More than 67,000 Mexican cattle have entered the U.S. since the first port reopened in August. Beef imports are also receiving additional access following the Sept. 1 implementation of an expanded tariff-rate quota for lean beef trimmings. While these developments have added pressure to the market, the physical supply impact remains relatively small compared with the historically tight domestic cattle inventory.

For AgWest cattle producers, the recent decline signals that the record-price environment is becoming more volatile, but fundamentals remain supportive. Tight cattle supplies should provide a price floor, but weaker

packer demand, additional imports and greater feeder cattle availability could limit a return to this year's highs. Producers may benefit from protecting margins now rather than waiting, particularly as input costs remain elevated. The opportunity remains favorable for cow-calf producers with calves to market, but increased downside risk makes forward contracting and risk management strategies more important heading into 2027.

Visit our **cattle webpage** for information on trade fundamentals and tariffs.

Dairy – *More cows, more milk, tighter margins ahead.*

Rapid herd expansion is pushing U.S. milk production higher, increasing the risk that supply growth outpaces demand and pressures producer margins into 2027. In September, U.S. milk production increased 2.6% year over year, while the dairy herd reached 9.74 million cows, its largest size since 1992. Production per cow was also 18 pounds higher than a year earlier, meaning both a larger herd and improved productivity are adding milk to the market. Even if herd growth slows near current levels, continued productivity gains could keep milk supplies expanding in 2027, meaning supply pressure is likely to persist.

New processing capacity has provided an outlet for that additional milk, but more processing does not necessarily mean more demand. Cheese inventories ended September 2% above year-ago levels, while butter stocks were 16% higher, suggesting production is not matched with consumption. With domestic cheese and butter demand relatively soft, exports have become increasingly important. U.S. dairy exports were up 7% year-to-date through August on a total-solids basis, led by a 22% increase in cheese and 41% increase in butter. Continued export growth will be critical to absorbing additional supplies and supporting dairy prices.

Historically strong beef revenue has also helped fuel dairy expansion, but that incentive is beginning to weaken. Beef-on-dairy day-old calf and cull cow sales have provided an additional source of revenue for dairies, helping offset tighter milk margins. Cull cow prices, however, have fallen about 25% from the highs reached in May, and beef revenue is expected to decline in 2027 while remaining historically strong. As this supplemental income source moderates, one of the financial incentives supporting aggressive herd growth will begin to weaken.

Ultimately, tighter margins could become the primary constraint on further dairy expansion. Growing milk supplies are pressuring prices while producers continue to face elevated feed and operating costs. If margins narrow and beef revenue declines, producers may become less inclined to add cows, eventually slowing supply growth. With margins expected to remain tight into 2027, risk management will remain important. Producers may consider tools such as Dairy Revenue Protection (DRP) and Dairy Margin Coverage (DMC), with DMC enrollment for 2027 open through Dec. 18.

Western producers face additional regional risks. In California, ongoing litigation involving dairy discharge requirements could affect the regulatory environment surrounding future expansion. In Washington, confirmed cases of highly pathogenic avian influenza (H5N1) in October add another animal-health risk. H5N1 has been reported in 27 dairy herds over a three-week period. For affected dairies, the financial impact is primarily tied to lost milk production from sick cows, along with additional testing and management costs. For processors, outbreaks could temporarily reduce available milk supplies from affected herds.

Visit our **dairy webpage** for information on trade fundamentals and tariffs.

Forest products – *Lumber markets soften.*

Lumber markets softened through October as persistently high mortgage rates and weak housing activity weighed on demand. September U.S. housing starts declined 5% from August and 7% from a year earlier, while single-family permitting fell to its lowest level since March 2023. Builder confidence also declined to its lowest level since 2012, reflecting continued affordability pressures as 30-year mortgage rates remained above 7%. The Framing Lumber Composite fell to $473 by mid-October after reaching $535 in July, although prices remained about 22% above year-ago levels. Lumber supply remains relatively tight following mill closures, curtailments and reduced imports.

Northwest log markets remained relatively stable in October, with mill inventories generally adequate, and buyers purchasing logs but showing little urgency. Washington and Oregon markets were characterized by steady demand and limited price movement, although cedar prices have fallen sharply in recent months. Export activity remains subdued, with Japanese demand for Douglas-fir steady but below historical levels and only limited volumes moving to China and Korea. Markets for pulp logs, chips and mill residuals remain particularly challenged by excess supply and reduced pulp-mill demand, although restarting pulp capacity in Washington and British Columbia could provide some relief.

Visit our **forest products webpage** for information on trade fundamentals and tariffs.

Hay – *Western hay markets become more local as freight costs climb.*

Western hay markets remain tight and increasingly localized as uneven supplies and high freight costs limit movement between regions. Alfalfa production across AgWest states was relatively flat, increasing just 0.7% from last year, but that masks considerable variation by state. Other hay production declined 1.2% across the territory, further tightening forage availability in several markets. Supplies of higher-quality hay are particularly tight after late-season rain damaged unprotected stacks and complicated final cuttings across parts of the West.

High freight costs have slowed hay movement and created a standoff between growers reluctant to lower asking prices and buyers unwilling to absorb higher delivered costs. Weekly U.S. diesel prices reached a record $6.53 per gallon on Sept. 21, with the impact even greater on the West Coast, where diesel peaked at $8.25 per gallon in California and $6.79 per gallon for the rest of the West Coast. As rising fuel costs pushed delivered hay prices higher, brokers saw shipments slow and buyers increasingly shifted to purchasing only immediate needs.

Conditions by state:

- **Arizona** - Alfalfa production is down 5.9% year over year. Late-season storms disrupted harvest and damaged hay, supporting demand for higher-quality hay. Alfalfa prices are averaging about $40 per ton higher year over year, with markets seeing limited export demand as buyers resist higher costs.
- **California** - Hay production is down 14.5% compared to the previous year, keeping supplies relatively tight. Retail prices have risen by $25 per ton over the past month, with demand strongest for higher-quality hay. There are limited prospects for increased hay supply for the remainder of the year as high freight costs continue to limit movement into the state.
- **Idaho** - Supplies are stronger, with alfalfa production up 4.9% year over year and other hay up 12.2%. Prices for quality alfalfa have increased by more than $50 per ton year over year, leading to lighter dairy demand. Rains in October damaged exposed stacks, tightening supplies of export-quality hay.
- **Montana** - Alfalfa production is up 5.2% year over year, while all other hay production declined 7.5% from the previous year. October precipitation supported late cuttings of dryland hay, but also extended grazing, reducing near-term hay demand. Higher freight costs and competition from Canadian and North Dakotan hay are keeping more supplies within local markets.
- **Oregon** – Supplies are among the tightest in the region, with alfalfa down 16.4% from 2025 and all other hay down 13.4%. Rain damaged portions of later cuttings, further limiting higher-quality supplies.
- **Washington** - Alfalfa production is up 7.1% year over year, but all other hay is down 6.0%. Columbia Basin alfalfa prices remain firm as supplies of quality hay tighten and improving Chinese demand has provided some support to exports. Buyers, however, are hesitant to buy at higher prices. Stronger alfalfa prices relative to timothy are also encouraging some growers to consider planting more alfalfa acres next year.

Visit our **hay webpage** for information on trade fundamentals and tariffs.

Lemons and oranges – *U.S. orange production expected to fall.*

USDA forecasts U.S. orange production to fall 2.9% for the 2026/27 season, driven by declines in Florida. Florida's crop is expected to fall 23% year over year to 10 million boxes, with industry sources pointing to winter freeze damage as a key contributor. The decline comes amid a longer-term contraction in Florida's citrus industry, including fewer bearing trees and continued pressure from citrus greening. California production is moving in the opposite direction, with USDA forecasting a roughly 2% increase to 50.5 million boxes. The California Valencia season is now effectively complete, and attention is shifting toward the developing navel crop. Despite tighter U.S. and Brazilian orange supplies, orange juice markets remain under pressure from softer demand and elevated inventories.

USDA forecasts higher California lemon production in 2026/27, although reports suggest conditions vary by growing district. A lighter crop is reported in the desert growing region, while higher year-over-year volume is expected in the Central Valley. Fruit sizing and quality are reportedly good overall, although some wind scarring and cosmetic issues have been reported in the desert region. Import competition continued to weigh on lemon markets through October. While demand reportedly improved late in the month, prices have yet to respond.

Visit our **lemons and oranges webpage** for information on trade fundamentals and tariffs.

Potatoes – *Disciplined movement supports prices.*

Fresh potato markets have remained relatively balanced following harvest, as marketers carefully manage

movement to maintain prices that provide reasonable returns to growers. Idaho Russet shipping-point prices are up 126% from a year ago, at $23.87 per cwt. The Grower Returns Index has been near $10 per cwt this fall, compared with an average of $3.35 for the 2025 crop, with some growers reporting russet returns closer to the $14 to $16 per cwt range. At those levels, most open-market producers should be profitable with the 2026 crop, depending on the remaining supplies in storage and the pace at which those potatoes move to market.

Export trends have been mixed. U.S. fresh potato exports reached a record 1.29 million cwt in August, up 50.5% from the previous year, while french fry and other frozen product exports fell 18.2%. Overall potato exports declined 3.0% to 5.58 million cwt. The divergence points to continued strength in fresh potato movement alongside softer international demand for processed U.S. products.

Notwithstanding declining exports, domestic demand for frozen potato products is holding up, with a potato processor reporting a 7% increase in North American sales volume last quarter. Fryers drew down frozen stocks by a record 25.2 million pounds in September, and raw product supplies are limited in several processing regions. These conditions could support demand from frozen processors for uncontracted (open-market) potatoes, providing an additional outlet for fresh-market supply. Dehydrator demand, however, remains soft. Fresh potato pricing will depend on weekly shipping rates and consumer demand.

Visit our **potatoes webpage** for information on trade fundamentals and tariffs.

Wheat – *Strong wheat crop for the PNW, but uncertain road ahead.*

Wheat producers benefited from stronger prices at harvest, supported by a sharply smaller U.S. crop and disruptions to Black Sea wheat exports. U.S. wheat production fell to 1.53 billion bushels in 2026, down 23% year over year, as drought significantly reduced winter wheat production across several major growing regions.

Conditions were much more favorable for most of the West. Despite drought concerns earlier in the growing season, Pacific Northwest (PNW) production increased 2.4% year over year, with strong yields and record production in some areas. Strong yields, including record or near-record yields in parts of the region, left many PNW producers in a stronger position than growers in other major U.S. wheat regions, combining relatively good crops with improving prices. In Montana, total wheat production held relatively steady, declining less than 1% year over year. However, winter wheat production fell nearly 28%, with stronger spring wheat production helping offset those losses.

Wheat prices received an additional boost during harvest as disruptions in the Black Sea slowed exports from Russia and Ukraine. Limited grain movement through the Kerch Strait and other logistical challenges tightened near-term export availability and added support to global wheat markets. With prices strengthening just as combines were rolling, many Western producers took advantage of the rally by selling wheat directly out of the field rather than carrying as much grain into storage.

For PNW wheat producers, the combination of stronger-than-expected regional production and a harvest-time price rally created an unusually favorable marketing window. PNW soft white wheat bids strengthened through harvest and peaked at $6.95 per bushel in early September, with the USDA-reported daily average reaching $6.85 per bushel. Montana wheat prices also strengthened during the growing and harvest season, with high-protein spring wheat bids exceeding $6.60 per bushel. This rally gave producers an opportunity to market grain at some of the strongest prices of the year before bids retreated during October.

Attention is now shifting to the 2027 crop. Recent weakness in cash prices puts greater emphasis on risk-management decisions and the revenue protection available through crop insurance. The Dec. 11 crop insurance deadline is approaching with a strong base price for PNW wheat. This level of insurance guarantee could support more planted wheat acreage despite the recent decline in market prices.

Winter moisture and crop establishment will also be key for next year's crop, particularly as El Niño adds weather risk to the 2027 crop. Warmer and potentially drier winter conditions expected with El Niño could reduce soil-moisture recharge and snow accumulation across the PNW and Montana. This is particularly important for dryland wheat areas that rely on stored moisture to support the crop through the spring and summer growing season. After strong yields across much of the region in 2026, winter moisture and snowpack will be key indicators of whether favorable growing conditions can continue into 2027.

Visit our **wheat webpage** for information on trade fundamentals and tariffs.

Wine and wine grapes – *Wine grape harvest nearing completion.*

Wine grape harvest is nearing completion across much of the West Coast, with early indications mixed across states.

California experienced one of its earliest harvests in decades, with the Central Coast running several weeks ahead of normal following warm spring weather. Smaller berries and lighter clusters contributed to concentrated flavors and bright acidity, providing encouraging early signs for the 2026 vintage. In Washington, smoke taint and powdery mildew left many grapes unharvested, and together with idled vineyards, the state's crop is expected to fall below 100,000 tons, compared with 240,000 tons in 2022. Inventories remain heavy, primarily Cabernet Sauvignon and Syrah.

Winery conditions remain challenging, though recent direct-to-consumer (DTC) results show notable differences across the West Coast. Oregon DTC sales increased more than 4% year-to-date through September, while Washington declined 8% and California grew less than 1%. A separate measure, the share of wineries reporting DTC sales growth, shows just over half of Oregon wineries with DTC growth, compared with 47% in California and 28% in Washington. Despite pockets of strength, broader wine consumption remains soft.

Visit our **wine and wine grapes webpage** for information on trade fundamentals and tariffs.



Economic headlines

Economic growth remains resilient.

U.S. GDP grew at a 3.4% annualized rate in the third quarter, up from 2.2% in the second quarter. Consumer spending and business investment helped support the expansion, with investment in artificial intelligence providing an additional boost. Despite stronger headline growth, elevated prices continue to pressure household budgets and contribute to a more mixed view of economic conditions.

Inflation outpaces wage growth.

Consumer prices increased 3.7% year over year in September, while wages rose 3%. Inflation has now exceeded wage growth for six consecutive months, pressuring household purchasing power. Energy has been a significant contributor following the war with Iran, with national average gasoline rising above $4 per gallon and diesel above $6. Higher diesel costs can also flow through transportation and production expenses to other goods and services.

Labor market remains stable, but hiring is subdued.

The unemployment rate held at 4.2% in September and has remained below 4.5% for five consecutive years. Initial unemployment claims are also near a 57-year low, suggesting businesses are generally retaining workers. However, hiring has slowed, creating a more challenging environment for job seekers and recent graduates. The combination suggests a labor market that remains relatively stable but has lost some momentum.

Consumer sentiment contrasts with economic data.

Consumer sentiment remains near historically low levels even as GDP expands and unemployment remains low. The University of Michigan's consumer sentiment index recently registered near a record low, reflecting continued concerns about affordability and household finances. The divergence highlights a broader disconnect between relatively healthy headline economic indicators and how households perceive their own financial conditions.



Spotlight: Navigating today's ocean freight market

Transportation costs remain elevated for Western agricultural producers. Rising fuel prices, port congestion, weather events, geopolitical rerouting, and restrictions along major shipping routes are increasing voyage times and reducing the efficiency of ocean transportation. These pressures affect both bulk and container shipping, although the impacts can differ based on how agricultural products move to market.

The Pacific Northwest (PNW) is the second-largest region for bulk grain exports in the U.S., behind the Gulf, and benefits from its proximity to Asian markets. According to USDA's latest Grain Transportation Report, the cost to ship grain from the PNW to Japan increased 26% year over year and was 17% above the prior four-year average during the third quarter. Higher fuel costs have contributed to the increase, along with changes in vessel availability and global trade flows. For grain producers, these costs directly affect the landed price and competitiveness of U.S. commodities relative to supplies from countries such as Brazil, Argentina and Australia. Relative transportation costs can also influence whether U.S. grain ultimately moves through the PNW or Gulf export terminals.

Container shipping presents another set of challenges for Western agriculture. Almonds, pistachios, apples, pears, citrus and many other specialty crops depend on container networks to reach overseas customers. Exporters need not only an available vessel, but also a container, space aboard the appropriate sailing, and a route aligned with the timing and destination of the shipment. In October, trans-Pacific container rates remained near multi-year highs despite moderating seasonal demand. Carriers reportedly reduced scheduled Asia-U.S. capacity by 12% to 15% for October and November, while blank sailings and congestion further disrupted schedules.

Much of the pressure reflects reduced transportation efficiency rather than a physical shortage of ships. About 12% of global container-vessel capacity was effectively absorbed by port congestion in October, a four-year high. Typhoons and port congestion in Asia contributed to delays, while containers remained tied up at congested ports or unavailable in locations where exporters needed them. Containerized exporters also face disruptions from canceled voyages, skipped port calls, schedule changes and containers being unavailable where and when exporters need them.

For Western specialty-crop producers and processors, reliability can therefore be just as important as the freight rate itself. Delays can shorten marketing windows for perishable products such as apples, pears and citrus, while late shipments of storable products such as almonds and pistachios can still miss important holiday or seasonal buying periods. Bulk and container exporters face many of the same global transportation pressures, but the structure of container shipping adds another layer of exposure to schedule reliability and equipment availability.



Drought and water update

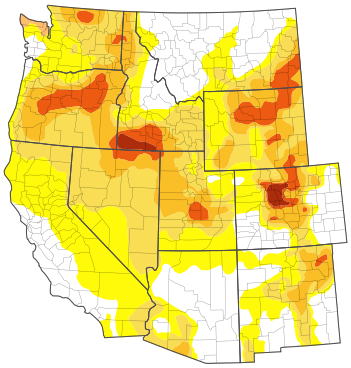
Drought monitor

Drought conditions improved across much of the West over the past three months. Referencing the maps below, the amount of the West in D3 (extreme drought) or greater was cut in half. The Southwest experienced favorable monsoons, additional moisture from El Nino-driven hurricanes in the Pacific, and higher elevation snows. Southern Idaho, central Washington and western Montana also saw improvement. For the latest on weather, see AgWest's **Weekly Weather Updates with Eric Snodgrass**.

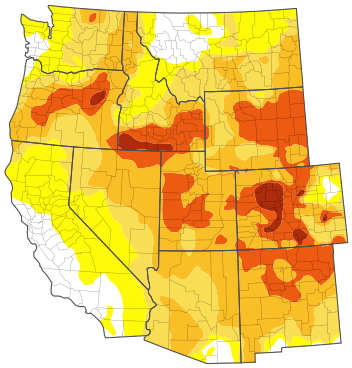
- D0 Abnormally dry
- D1 Moderate drought
- D2 Severe drought
- D3 Extreme drought
- D4 Exceptional drought
- None

Source: U.S. Drought Monitor, University of Nebraska.

November 4, 2026



August 4, 2026



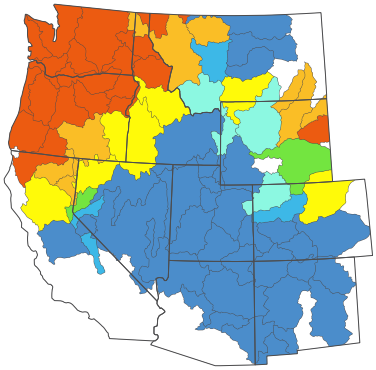
Description: The U.S. Drought Monitor provides a comprehensive look at drought conditions across the U.S., categorizing areas by intensity (no drought to Exceptional Drought). This tool helps agriculture producers understand water availability and make informed decisions about crop management.

Year-to-date precipitation

Since the water year began on Oct. 1, precipitation has been highly uneven across the West, accelerating drought improvement in the Southwest while providing less relief to the Pacific Northwest. Arizona entered the new water year following beneficial monsoonal rainfall and additional moisture from Pacific tropical systems. Hurricanes Odalys and Polo delivered 5 to 10 inches of rain in parts of the Southwest, followed in October by rain and early-season mountain snow associated with Hurricane Rachel. The Pacific Northwest has not seen comparable precipitation, with many areas missing the season's heaviest storms and remaining well below normal early in the water year.

- >150%
- 130% - 149%
- 110% - 129%
- 90% - 109%
- 70% - 89%
- 50% - 69%
- <50%
- No basin value

Source: Natural Resources Conservation Service. NWCC Interactive Map. Data as of November 4, 2026.



Description: The NWCC Year-to-Date Precipitation Map provides a detailed overview of precipitation levels across the U.S., comparing current data to a historical average. Similar to the Drought Monitor, this tool helps agriculture producers understand water availability and make informed decisions about crop management.

Reservoirs with low water levels

Reservoir levels have decreased throughout much of the West. Several reservoirs in Idaho and Oregon remain notably below average. Lake Powell and Lake Mead remain at historically low levels. California and Washington are the exceptions with most of their reservoirs at or above historical averages.

Reservoirs with water levels below 80% of their historical average

Location / Region	Reservoir	Percent of average level	Percent of previous year
California	Pine Flat	66%	74%
Colorado River Basin	Lake Mead	39%	83%
	Lake Powell	35%	77%
Idaho	American Falls	55%	98%
	Grassy Lake	63%	71%
	Island Park	50%	63%
	Jackson Lake	16%	15%
	Lake Walcott	42%	62%
	Mann Creek	16%	37%
	Palisades	28%	111%
	Ririe	67%	60%
	Soldiers Meadow	67%	100%
Oregon	Beulah	46%	28%
	Bully Creek	66%	34%
	Crescent	17%	39%
	Emigrant	41%	51%
	Fish Lake	64%	50%
	Fourmile	23%	76%
	Hyatt	66%	46%
	Ochoco	52%	30%
	Owyhee	42%	25%
	Prineville	43%	42%
	Phillips	1%	1%
	Scoggins	66%	109%
	Thief Valley	0%	0%
	Unity	60%	66%
	Warm Springs	21%	10%
	Wickiup	49%	47%
Washington	Bumping	34%	47%
	Cle Elum	18%	73%
	Kachess	63%	211%

Source: Bureau of Reclamation: Reservoir Storage. California Department of Water Resources. Arizona Department of Water Resources. Data as of November 4, 2026.

Description: Reservoirs are an important source of water for agriculture producers throughout the West. This section identifies those with water levels at or below 80% of their historical average for the given period. Reservoirs at or above 80% of their historical average water levels are not included in this list.

Updates impacting water access

Arizona

Drought and water supply concerns remain elevated across Arizona as the state enters the 2027 water year. Record warmth and exceptionally poor snowpack across the Intermountain West during 2026 resulted in well-below-normal runoff and further depleted Colorado River supplies. Natural streamflow into Lake Powell during the 2026 water year

was just 37% of normal, while late-season precipitation provided localized drought relief but was not enough to erase longer-term water supply deficits.

Conditions across the Colorado River system remain particularly concerning. Lake Powell and Lake Mead both reached record-low elevations in August, pushing their combined storage to its lowest level since before Lake Powell began filling in 1963. By mid-October, Lake Mead was approximately 26% full. These historically low storage levels leave the river system increasingly vulnerable to another poor snow and runoff year, and continue to raise concerns about future agricultural water availability and hydropower generation.

Under the federal framework, Arizona, California and Nevada collectively face 1.25 million acre-feet of reductions in both 2027 and 2028, including 760,000 acre-feet annually for Arizona. Arizona and Nevada have challenged the federal approach, while the Lower Basin states continue discussing how reductions should be distributed before changes to downstream deliveries take effect. For Arizona agriculture, the dispute adds another layer of uncertainty to an already constrained water outlook. Tighter supplies could contribute to fewer harvested acres in forage-producing areas as producers adjust acreage and water use.

Groundwater availability is also becoming a more pressing issue in parts of southeastern Arizona. In the San Simon Valley, state water officials estimate that the groundwater basin is losing 50,000 acre-feet more water each year than is naturally replenished. Local farmers have petitioned the Arizona Department of Water Resources to establish an Irrigation Non-Expansion Area, which would prohibit irrigation of new agricultural acreage but would not reduce pumping on land already in production. State data also shows that groundwater declines have accelerated alongside agricultural development, while portions of the valley have experienced land subsidence as the aquifer is depleted.

Looking ahead, the strengthening El Niño offers some potential relief, but considerable uncertainty remains. NOAA's 2026–27 U.S. Winter Outlook favors wetter-than-average conditions across the Southwest, and drought improvement is expected across portions of the region. However, a wetter winter alone will not resolve the Colorado River's water supply challenges. The October 2026 Intermountain West Drought Status Update notes that meaningful hydrologic recovery will require sufficient spring runoff from mountain snowpack and that even a strong precipitation year would not fully replenish critically low major reservoirs.

Overall, Arizona enters the 2027 water year facing historically low Colorado River storage and potentially significant reductions in future deliveries. A wetter El Niño winter could provide some relief, but rebuilding Rocky Mountain snowpack and generating strong spring runoff will be critical to improving the region's water outlook and limiting further pressure on agricultural water supplies.

California

California enters the 2027 water year with a mixed water supply outlook. The 2026 water year brought near-normal precipitation across much of California and Nevada, but precipitation was heavily concentrated early in the season, followed by a much drier January through March. Temperatures ranked among the warmest 10% of water years, contributing to poor snowpack and exceptionally early snowmelt. Drought conditions improved across central and southern California over the course of the water year, while conditions deteriorated farther north.

Surface water supplies improved during the 2026 season. The State Water Project allocation increased as conditions evolved, while the U.S. Bureau of Reclamation ultimately raised Central Valley Project allocations for South-of-Delta irrigation contractors to 28% of their contract supply in August, up from 20% in March and 25% in May. In late October, the allocation increased from 28% to 31%, an unusual late-season adjustment reflecting available reservoir supplies. For Westlands Water District, the additional allocation represents roughly 37,450 acre-feet and could reduce groundwater pumping by a similar amount.

The contrast between surface-water and groundwater conditions remains significant. While some major surface-water supplies entered fall in relatively strong positions, groundwater overdraft, subsidence and Sustainable Groundwater Management Act (SGMA) implementation continue to create challenges across parts of the Central Valley. Local agencies have identified nearly 500 groundwater recharge projects and management actions, including 331 projects with projected benefits totaling approximately 1.52 million acre-feet annually.

The cost of groundwater management is also becoming increasingly tangible for producers. In the Tulare Lake subbasin, the Mid-Kings River Groundwater Sustainability Agency approved a $26.84-per-acre annual assessment and a groundwater pumping fee that will rise to $19.24 per acre-foot in 2028 as the agency works to improve its groundwater sustainability plan and address subsidence and domestic-well concerns. The subbasin has been under state probation since 2024, reinforcing the financial and regulatory consequences facing areas that do not demonstrate sufficient progress toward groundwater sustainability.

Looking ahead, a strengthening El Niño creates both opportunity and risk for California's 2027 water outlook. El Niño is expected to tilt the odds toward increased precipitation, which could help improve drought conditions and create opportunities to replenish depleted groundwater supplies. However, the benefit will depend on temperatures and the timing and intensity of storms. California water managers are preparing for the possibility of high-flow events, with the state emphasizing groundwater recharge as one way to capture excess water while reducing flood impacts.

Overall, California begins the 2027 water year in a better near-term surface-water position than conditions earlier in 2026 might have suggested, but improved reservoir supplies do not eliminate the state's longer-term water challenges. Groundwater overdraft, subsidence, rising SGMA compliance costs, and uncertainty surrounding future Delta operations remain important issues for agriculture. A wetter El Niño winter could provide an important opportunity to rebuild supplies, but how much precipitation falls as snow, how quickly that snow melts, and California's ability to capture high flows for reservoir storage and groundwater recharge will ultimately determine how much the water outlook improves heading into the 2027 growing season.

Idaho

Drought and water availability remain significant concerns across Idaho as the state enters the 2027 water year. An unusually warm 2025–26 winter contributed to poor snowpack and early snowmelt, leaving limited runoff available to replenish reservoirs and sustain irrigation water supplies through the summer. The impacts were particularly pronounced across the Upper Snake River Basin, where low reservoir storage forced irrigation districts to conserve water and reduce deliveries during the growing season.

While the irrigation season is now largely complete, Idaho enters the new water year with a substantial water supply deficit. As of mid-October, the Upper Snake River reservoir system was only about 9% full, compared with a median season-ending minimum of roughly 38%. The system approached historically low levels despite conservation efforts by irrigators, highlighting how heavily storage was drawn down during the 2026 growing season. Irrigators dependent on the Snake River largely exhausted available storage, increasing the importance of winter precipitation and reservoir recharge ahead of the 2027 growing season.

As irrigation demand tapered off in mid-October, the Upper Snake River reservoir system's seasonal drawdown ended and the winter storage season began, with storage starting to rise as natural flow exceeded declining deliveries. Rain in mid-October likely added to that early recovery. Even so, starting the storage season at such low levels leaves a substantial amount of ground to make up before next year's irrigation season.

Looking ahead, rebuilding reservoir storage and mountain snowpack will be critical to Idaho's 2027 water outlook. Water managers are working to capture more water in upstream reservoirs during the offseason. A strong snow accumulation season would help replenish the Upper Snake system and improve water availability ahead of spring, while another poor snow year could leave irrigators facing continued water supply constraints in 2027.

Montana

Drought conditions have improved across much of Montana, supported by a relatively wet start to fall. September precipitation averaged 2.18 inches statewide, 0.72 inches above normal, while an early-season winter storm brought heavy, wet snow to north-central and southwestern Montana on Oct. 10-11. Remnant moisture from Hurricane Rachel enhanced the storm, particularly in southwestern Montana, with higher elevations receiving around a foot of snow.

Despite the added moisture, drought remains a significant concern in eastern and southeastern Montana. Over the past three months, Carter, Custer, Fallon and Powder River counties have deteriorated from severe to extreme drought, contrasting with improving conditions across much of the rest of the state.

The recent improvement follows a challenging 2026 growing season and several consecutive years of moisture deficits. Montana entered the summer with roughly 75% of the state experiencing moderate-to-extreme drought and another 10% classified as abnormally dry. Low-elevation snowpack below 6,500 feet also melted about a month earlier than normal last spring, accelerating runoff and contributing to concerns about declining streamflows and late-season water availability.

Looking ahead to the 2027 growing season, fall and winter precipitation will be critical for rebuilding soil moisture, groundwater, stock-water supplies and mountain snowpack. While Montana's overall drought picture has improved since summer, worsening conditions in the southeast highlight the state's uneven recovery and the importance of a strong winter snowpack heading into 2027.

Oregon

Drought conditions have remained largely unchanged across Oregon. September brought cooler temperatures and

precipitation that were offset by warmer and drier conditions in October. As of Oct. 13, 88% of the state remains in moderate drought (D1) or worse and 57% in severe drought (D2) or greater, unchanged from three months ago. Drought declarations are currently in place across 22 of Oregon's 36 counties, with Hood River County added in mid-August.

The prolonged dry conditions also contributed to an exceptionally active wildfire season, particularly across central and eastern Oregon. A record 2.4 million acres burned statewide, affecting rangeland, agricultural operations and rural communities. The 2026 season included the Rowe Creek Complex and Coleman Creek Fire, Oregon's fifth- and sixth-largest wildfires on record, burning more than 680,000 acres combined.

Water availability remains a concern as Oregon begins the 2027 water year. Streamflows across the state remain below normal, reflecting the lingering effects of the historically poor 2026 snow season. Snowpack had completely melted from monitored basins by mid-June, following a winter characterized by unusually warm conditions and historically low snow accumulation. With little mountain snow available to sustain rivers and reservoirs through the summer. Reservoir carryover helped buffer some irrigation districts from the worst impacts of 2026's drought, but much of that stored water was drawn down over the summer. By the end of the irrigation season, storage was below normal across all of the state's water storage projects.

Streamflow deficits persisted into the fall, and October brought little improvement. All Oregon water basins received less than 50% of median year-to-date precipitation. Temperatures also remained above normal, averaging 2°F to 4°F warmer across much of the state, with even warmer temperatures in parts of southwestern and eastern Oregon.

Fall and winter precipitation, particularly mountain snowfall, will be critical to replenishing reservoirs, rebuilding natural water storage and improving water availability ahead of the 2027 irrigation season. The consequences of continued drought would extend beyond irrigated agriculture, potentially putting additional pressure on community drinking-water supplies and streamflows needed for fish and wildlife.

Washington

Washington enters the new water year with lingering water supply concerns following an exceptionally poor 2026 snow season and persistent precipitation deficits. The state remains under the statewide drought emergency declared in April, marking the fourth consecutive year with a drought declaration. Although Washington received near-normal precipitation during the previous winter, unusually warm conditions (2nd warmest year from Oct. 1- Sept. 30) caused more precipitation to fall as rain rather than snow, leaving the state with roughly half of its normal snowpack. The lack of mountain snow reduced the amount of water stored for release during the spring and summer, creating challenges as the irrigation season progressed. In the Yakima Basin, irrigators had their fourth consecutive year of rationing where junior water-right holders received 52% of their normal allotments.

Despite some beneficial September rainfall, drought conditions have also worsened across the state. As of Sept. 29, 65% of Washington was classified as being in moderate drought (D1) or worse, while the area experiencing severe drought (D2) or greater has nearly tripled over the past three months. Conditions have deteriorated across Eastern and Central Washington and the Puget Sound region, while drought has also expanded into portions of the Olympic Peninsula. Streamflows remain below normal along the eastern slopes of the Cascades and across much of Eastern Washington.

Washington depends heavily on snowpack as water storage. Looking ahead, attention is shifting to fall and winter precipitation and, critically, whether colder temperatures allow that moisture to accumulate as mountain snow. However, a strengthening El Niño favors warmer and drier-than-normal conditions across much of Washington. Warmer winter temperatures could make rebuilding snowpack and recharging reservoirs more difficult, keeping water availability a key concern heading into 2027.