A prolonged period of sparse rainfall has been hard on Texas agriculture. The Texas Agricultural Extension Service estimates the state’s drought losses from September through January at $1.5 billion. So far, the cattle industry has been the hardest hit. The drought has meant higher feed costs, less wheat in pastures and losses from selling livestock at lighter-than-normal weights. About 1 million acres of range- and pastureland and thousands of head of cattle and horses have been lost to wildfires.

The drought has added to agriculture’s financial stress. Farmers and ranchers had already been hurt by rising fuel-related costs and sagging market prices for crops. After one of the driest years on record in 2005, this year is shaping up to be as dry, if not worse. Without significant and widespread rain in the spring and summer, the drought’s effects could spread to farmers and other agriculture-related businesses. Consumers could face higher prices for meat, produce and other foods, and banks could see higher farm-loan delinquency rates.

Recent rains have helped ease the dry spell in some parts of the state, and agricultural lenders have not yet indicated that the drought has impacted farm-loan quality or performance.