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# RightRisk™ Uncertainty

## RightRisk News

How Much Risk is Right for You?

### Wildfire Risks Are Something We Need to Talk About More in Livestock Planning

Wildfires burned more than a million acres across Nebraska, Kansas, and Oklahoma in the first months of 2026. Nebraska lost over 800,000 acres; the Morrill Fire in mid-March burned more than 600,000 acres by itself. Then in June, the South Fork Fire burned nearly 40,000 acres in Dawes and Sioux counties near Fort Robinson Nebraska. The fire reached full containment on June 25 and producers made decisions about selling cows, weaning early, feeding hay, among a host of other decisions. Similarly, wildfires in Colorado have burned more than 235,000 acres, as of August 11th.


Most ranch risk plans skip wildfire. However, researchers at the University of Nebraska-Lincoln compared two decades of fire records and found that burned acreage on the Great Plains tripled from the 1985 to 1994 period to the 2005 to 2014 period. Fires rose from an average of 33 per year to 117 (UNL 2017). As producers, we file fires as a western problem, a mountain problem, someone else's problem. But the last several years in Texas, California, Oregon, and Nebraska indicates otherwise. As we work to assess the economic damage from wildfires, the same lessons often repeat after every large fire. This article covers some of those lessons.

**The Risk We Don't Plan For**

Wildfire is the risk we underweight. It is rare but severe. Ignition is usually beyond our control. A powerline can spark it. Equipment can spark it. A neighbor's burn escapes. Most of what burns on rangeland is uninsured. Standing grass carries no policy and neither do most fences. Wildfires generally coincide with drought or drought-like conditions and fire and drought are risks that tend to compound each other. For example, in the 2026 Nebraska fires there was a bad drought throughout most of the winter and spring making most grass prime fire fuel. Combine that with low humidity and high winds and it made the fire extremely difficult to contain. Most recovery estimates were waiting on when and how much rain would fall so that late spring or early summer grass growth could occur.

**The Losses Go Beyond What Burns**

After a large fire, visible grass damage is rarely the largest damage. A defensible loss estimate generally has three layers. First, direct physical losses. These include livestock death loss, fencing, gates, corrals, working facilities, equipment, and structures. Fencing is often the largest infrastructure line. Miles of wire add up fast at current material and labor prices. Estimates are the 2026 wildfires in Nebraska destroyed $96 million of fencing infrastructure valued at current replacement cost.

Second, indirect operating losses. These often exceed the direct losses. Surviving cattle still eat. Emergency feed purchases and hauling start the first week. They run until the grass carries stock again. Grazing lease income stops. Hunting lease income stops with it. Smoke-injured animals sell at a discount or get culled weeks later. Burned range often returns flush with noxious weeds. Treatment can run several seasons. Few operations have cash reserves or budget for these treatments. In extreme cases, grass needs to be re-seeded.

Third, asset losses. Appraisals of burned ranches show measurable loss in market value against comparable unburned properties. Recovery time, lost use, and destroyed improvements drive the difference. Operations lose out on market opportunities that had the fire not occurred they could have capitalized on. In many loss packages, the forage line exceeds the cattle line. The grass is the factory, and the cattle are the inventory.

In addition, the loss of plant cover leaves the soil exposed to wind and water erosion. Post-fire erosion can reduce soil productivity, damage water quality, and slow recovery of desirable forage species. Erosion can further damage down-stream grazing lands, hay meadows, and farmland.

**Grass Does Generally Not Come Back on Schedule**

A fire is a multi-year revenue event even though the fire itself occurred in a single season. Post-fire grazing guidance commonly defers grazing for one to two full growing seasons (Texas A&M Forest Service). Stocking then returns in steps. An operation may run a fraction of normal capacity at first and build back over three to four years. Fire severity, moisture, soil profile, and range condition set the pace for how quickly cattle can return to pasture and at what stocking densities.


Moisture is the most important factor. Recovery and re-stocking schedules assume near-normal rain. Plains grasses are built for fire because their growing points sit below the soil. This allows the burned range to green up stronger than unburned ground when the rain comes. However, in a drought the rain never comes and the green-up slows. Deferment stretches. The accompanying feed bill stretches with it. Generally, when severe fires occur that location is coming out or is currently in a drought so it's best to plan for fire plus drought together.

Tie restocking to what you measure, not to the calendar. Watch residual cover, forage production, and range condition. Pencil the restock, lease-out, and sell-down options as multi-year cash flows. Do not decide in the smoke.

**The Paper Trail Is the Claim**

Recovery money may come from insurance, a federal program, or a liable third party. In every case, good records are the key to the claim, and these are records that need to be compared pre and post fire.

Before any fire occurs, it is good business practice to keep financial and production records. Keep dated livestock inventories and head counts backed by birth records or purchase receipts. Keep monthly operating summaries. Keep two to three years of financial statements and tax returns. Keep written grazing and hunting leases, stocking-rate history, and current insurance schedules. Fire erases fences and scatters cattle. These records prove what existed that morning.

After the fire, collect evidence before cleaning up. Photograph and video the losses with dates and locations. Do it before disposal or repair. This can feel tedious, but the Nebraska Farm Service Agency (FSA) guidance is very clear on this (NDA 2026). Document the number, kind, type, and weight range of livestock lost. Keep rendering-truck receipts before disposal. Get third-party verification of death losses where possible. Document that livestock came off burned pastures. Keep receipts for purchased feed, hauling, and equipment rental. Record the gallons of water hauled to stock.

Then keep a running log. Track hours, mileage, calls, and agency contacts. Applications come together months later. That log helps justify the claim value. If no documents are there then the claim generally relies on assumptions and generalities which tend to get heavily discounted.

**Know the Programs and the Clock**

Regardless of the claims or settlements from liable third parties, the U.S. Department of Agriculture (USDA) has several programs that can be applied for by producers from damages due to wildfire losses. Each has its own paperwork and its own deadline. We briefly review a few of these here and encourage those interested to contact the appropriate FSA officials for more details.

The Livestock Indemnity Program (LIP) pays for death losses above normal mortality. It can also help when injured livestock sell at reduced prices. The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) covers grazing and feed losses, feed purchases above normal, and the cost of hauling feed and water to livestock. It also covers hauling livestock to feed. Both programs currently have the same reporting deadline. For example, the notice of loss and application for 2026 losses is due March 1, 2027 (USDA-FSA 2026a, 2026b). If you have losses and have not already done so mark the date now. Rebuilding often consumes our summer and fall and we can forget to file. The deadline does not move so file on time.


The Emergency Conservation Program (ECP) cost-shares debris removal, fence repair and replacement, and water-facility restoration. It runs county by county. Each county opens a 60-day application window. For example, several Nebraska counties ran their 2026 windows from late April to late June (USDA-FSA 2026a). If your county burns, call the FSA office in the first weeks. Do not assume the window will wait.

Other help often exists at the state level and varies from disaster to disaster. For example, the Nebraska Natural Resources Conservation Service (NRCS) opened a special wildfire signup under the Environmental Quality Incentives Program (EQIP). Covered practices include grazing management, fencing, annual forages, and livestock water. FSA authorized emergency haying and grazing of Conservation Reserve Program (CRP) acres in fourteen states. Unaffected landowners can donate forage access to fire-hit producers. Emergency loans and loan servicing exist for borrowers who lost repayment capacity (USDA-FSA 2026a). Deadlines vary by county and by fire. Call your local USDA Service Center early. Then talk to your lender and your tax advisor before year-end. Disaster livestock sales and reimbursements carry tax implications of their own.

One issue farmers and ranchers may not pay much attention to is the tax consequences of decisions made regarding cattle sales and recovery strategies. Producers should consult with their tax advisors before selling animals and rebuilding infrastructure. Additionally, there are myriad educational materials available from your Extension professionals and RuralTax.org.

**Manage It Before It Happens**

Four preparations that cost little and change everything after.

1. Keep records current. Update inventories, leases, and financials. Store copies off-site or in the cloud. Records that burn with the shop help no one.
2. Write a wildfire contingency into the grazing plan. Set destocking triggers. Map water access and evacuation routes. List who to call. The NRCS grazing management standard now calls for documented contingency plans for wildfire and drought (USDA-NRCS 2025).
3. Review insurance every year against real replacement costs.
4. Manage fuel where you can. Recent prescribed burns helped crews contain Nebraska's 128,000-acre Cottonwood Fire this spring (Byars 2026).

Run the numbers before you see or hear about a fire burning. RightRisk has a Risk Scenario Planning tool at RightRisk.org that can help you frame the restock or destock decision under uncertainty. Another RightRisk tool is the Multi-Temporal Risk Analyzer which fits multi-year questions like a three or four-year grazing deferment. Wildfire is a risk we cannot eliminate but it does not have to be the one we never planned for. If you need help in planning for wildfires, please contact RightRisk as we have a long history of helping decision-makers throughout the world discover innovative and effective risk management solutions.

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### Ag Finance Update - July 22 | RightRisk

**Federal Reserve Beige Book: Summary on the Agricultural Sector**

ECONOMIC ACTIVITY increased at a slight to moderate pace in eleven of twelve Federal Reserve Districts in late May and June, while one District reported no change. The pace of growth was quite close to that of last period, when activity expanded in ten Districts, was flat in one, and down in one …


### Podcast - July 17 | RightRisk (18 min.)

**No-Pause Button: Why Farming Can't Slow Down Like a Factory**

AGRICULTURE IS ONE OF THE FEW major production sectors where the factory floor is largely exposed to weather, pests, disease, markets, and biological timing. Farmers and ranchers cannot always slow down, shut down, or redirect production when conditions change. A crop has to be planted before the weather is known. Livestock must be cared for regardless of market conditions. Labor, machinery, fuel, seed, feed, fertilizer, and management time are often committed long before the final value of production is known …

### Ag Finance Update - July 9 | RightRisk

**Farm Loans Keep Growing as Lenders Sort the Risk**

A RECENT Agricultural Finance Update from the Federal Reserve Bank of Kansas City brings good news with a catch. Farm loan growth stayed strong in the first quarter of 2026, but it was not spread evenly. The difference came down to the type of lender …

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