

# MARKET WATCH CATTLE

Dairy slaughter for the week ending July 7 was 44,800 head, down 7,900 head from the week prior and the low-water mark for 2012. The week of July 7 has been the seasonal low each of the past two years. Although dairy slaughter is following the normal seasonal pattern this year, 2012 slaughter remains strong and is outpacing last year by 55,700 head or by an average of 2,063 head per week.

There is some speculation about whether the developing drought will cause a spike in cull rates. For perspective, let's look at the last major drought in 1988. In that year, slaughter increased by only 0.8 percent over 1987 and increased only 0.3 percent the year after. The numbers (historical or this year's) may not support drought-driven slaughter but, from the anecdotes we've heard,

we believe the persistent drought, high temperatures and the resulting high feed costs will keep 2012 slaughter well ahead of previous years.

The U.S. average price received for dairy cows in June was \$86.80 per hundredweight (cwt), down \$0.90 per cwt from a revised May price of \$87.70 per cwt. This is the first month-over-month decline in price since October of last year when the price bottomed at \$65 per cwt. The June 2012 cull price is up \$10.90 per cwt year-over-year.

Near-term Live Cattle futures trade has been choppy and range-

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bound, with the December contract trading between \$122.4 per cwt and \$129.3 per cwt since April 27. On July 24, the 2012 contracts averaged \$122.8 per cwt. Deferred contracts are, however, projecting higher prices next year. On July 24, the 2013 Live Cattle contracts averaged \$131.2 per cwt and have been drifting higher since the April 27 low. **PD**

MARKETWATCH July 27, 2012	Top Springer	Top Average	Medium Holstein Springer	Shortbreds	Open Heifers Light	Open Heifers Heavy	Heifer Calves	Bull Calves	Breeding Bulls
<b>Empire Livestock - Burton Market</b> Vernon, NY (800) 257-1819 (sale 7/26/12)	\$1,400 \$100 ▼	\$1,250 NC	\$1,100 NC	\$1,000 \$100 ▼	\$300 \$100 ▼	\$800 \$100 ▲	\$100 NC	\$100 NC	\$850 \$50 ▲
<b>Mammoth Cave Dairy Auction, Inc.</b> Smiths Grove, KY (800) 563-2131 (sale 7/24/12)	\$1,320 \$10 ▲	\$1,240 \$30 ▼	\$1,200 \$40 ▼	\$1,100 \$10 ▲	\$340 NC	\$710 \$60 ▲	\$140 NC	\$125 \$5 ▲	N/T
<b>New Holland Sales Stables</b> New Holland, PA (717) 354-4341 (sale 7/25/12)	\$1,425 \$150 ▼	\$1,325 \$150 ▼	\$1,100 \$100 ▼	\$1,200 \$75 ▼	\$450 \$175 ▼	\$825 \$100 ▼	N/T	N/T	\$1,225 \$225 ▲
<b>Mid-Georgia Livestock Auction</b> Jackson, GA (770) 775-7314 (sale 7/24/12)	\$1,475 \$175 ▼	\$1,225 \$400 ▼	\$1,200 \$25 ▲	N/T	\$440 \$50 ▼	\$700 \$250 ▼	\$190 \$40 ▼	\$160 NC	N/T
<b>Central Livestock Association</b> Albany, MN (800) 733-6828 (sale 7/24/12)	\$1,275 \$25 ▼	\$1,200 \$300 ▲	\$1,150	\$850 \$250 ▼	\$104/cwt	\$93/cwt \$11/cwt ▼	N/T	N/T	\$910 \$165 ▼
<b>Equity Co-op Livestock</b> Stratford, WI (715) 687-4101 Rocky Olsen (608) 434-4037 (sale 7/31/12)	\$1,575 NC	\$1,350 NC	\$1,100 \$25 ▼	\$925 \$25 ▼	\$550 \$25 ▲	\$875 \$50 ▼	\$225 NC	\$135 \$50 ▼	\$1,200 \$75 ▼
<b>Lake Odessa Livestock</b> Lake Odessa, MI (616) 374-8213 (sale 7/24/12)	\$1,600 \$100 ▼	\$1,200 \$100 ▼	\$900 \$50 ▼	\$750 \$100 ▼	\$450 \$50 ▼	\$650 \$150 ▼	\$200 \$100 ▼	N/T	\$1,100 NC
<b>Norwood Dairy Cattle Auction</b> Norwood, MO (417) 746-4242 (sale 7/13/12)	\$1,190 \$135 ▼	\$1,050 \$50 ▼	\$975 \$85 ▲	\$1,000 \$140 ▼	\$485 \$85 ▼	\$720 \$200 ▼	\$120 \$170 ▼	\$175 \$25 ▼	N/T
<b>Pipetstone Livestock Auction Market</b> Pipetstone, MI (507) 825-3306 (sale 7/19/12)	\$1,475 \$150 ▼	\$1,362 \$81 ▼	\$1,334 \$65 ▼	N/T	\$125/cwt \$12/cwt ▲	\$93/cwt \$2/cwt ▲	N/T	N/T	N/T
<b>Springfield Livestock Marketing Center</b> Springfield, MO (417) 869-9500 Doug Thomas (417) 840-9316 (sale 7/24/12)	\$1,220 \$50 ▼	\$1,190 \$50 ▼	\$920 \$40 ▼	\$950 \$140 ▼	\$480 \$50 ▲	\$490 \$85 ▼	\$120	\$130 \$40 ▼	N/T
<b>Topeka Livestock Auction</b> Topeka, IN (206) 593-2522 (sale 7/24/12)	\$1,475 \$25 ▼	\$985 \$160 ▲	N/T	N/T	\$800 \$50 ▼	\$1,450 \$100 ▼	\$260 \$20 ▲	N/T	\$1,175 \$15 ▲
<b>Tri-State Livestock</b> Sioux Center, IA (712) 722-0681 Mike Koedam (712) 470-0198 (sale 7/18/12)	\$1,725 \$75 ▲	\$1,480 \$15 ▼	\$1,425 \$5 ▼	N/T	\$122/cwt \$26/cwt ▼	\$107/cwt \$2/cwt ▲	N/T	N/T	\$1,325 \$5 ▲
<b>United Producers, Inc.</b> Marion, MI (517) 294-3484 (sale 7/20/12)	\$1,625 \$75 ▼	\$1,475 \$125 ▼	\$1,200 \$150 ▼	\$1,000 \$25 ▲	\$400 \$100 ▼	\$850 \$125 ▼	\$200 \$50 ▼	N/T	\$900
<b>Brush Livestock of Colorado</b> Brush, CO (970) 842-2801 (sale 6/28/12)	\$1,700 \$400 ▼	\$1,635 \$340 ▼	\$1,500 \$95 ▼	\$1,275 \$50 ▲	N/T	N/T	N/T	N/T	N/T
<b>Chehalis Livestock Market</b> Chehalis, WA (360) 748-3191 (sale 7/13/12)	\$1,200 \$100 ▼	N/T	\$1,100 NC	\$900	\$95/cwt \$20/cwt ▼	N/T	N/T	\$65 \$35 ▼	\$900 \$25 ▼
<b>Producers Livestock</b> Jerome, ID (208) 324-4345 (sale 7/25/12)	\$1,310 \$180 ▼	\$1,295 \$115 ▼	\$1,230 \$5 ▼	N/T	\$116/cwt	\$121/cwt	N/T	N/T	N/T
<b>Smithfield Livestock Auction</b> Smithfield, UT (435) 563-3259 (sale 7/19/12)	\$1,175 \$75 ▼	\$1,175 \$175 ▲	N/T	\$1,150 NC	\$65/cwt \$75/cwt ▼	\$80/cwt	N/T	N/T	N/T
<b>Toppenish Dairy Replacement Sales</b> Toppenish, WA (509) 865-2820 (sale 7/6/12)	\$1,35 \$225 ▼	\$1,100 \$200 ▼	\$1,125 \$25 ▼	\$1,100 NC	\$120/cwt \$30/cwt ▼	\$115/cwt \$7/cwt ▼	\$100 NC	\$120 NC	N/T
<b>A &amp; M Livestock Auction, Inc.</b> Hanford, CA (559) 582-0358 (sale 7/11/12)	\$1,650 \$50 ▲	\$1,300 \$50 ▼	\$1,000 \$100 ▼	\$1,050 \$50 ▲	\$150/cwt \$10/cwt ▼	\$110/cwt \$15/cwt ▼	\$75 \$25 ▼	\$140 \$35 ▼	\$1,050 NC
<b>Sulphur Springs Livestock and Dairy Auction</b> Sulphur Springs, TX (903) 885-7739 (sale 7/19/12)	\$1,410 \$165 ▼	\$1,075 \$125 ▼	\$1,075 \$125 ▼	N/T	\$650 \$50 ▲	\$850 NC	\$270 NC	\$210 NC	N/T
<b>Escalon Livestock Market, Inc.</b> Escalon, CA (209) 838-7011 (sale 6/27/12)	\$1,475 NC	\$1,300 NC	\$1,250 NC	N/T	\$100/cwt NC	\$125/cwt NC	N/T	N/T	\$1,000 NC

Contact Judy about being included in *Progressive Dairyman's* Market Watch! judy@progressivedairy.com • (208) 324-7513 NC = No change N/T = No test Decrease in price ▼ Increase in price ▲

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