



The U.S. average price for dairy cows in November was \$80.50 per hundredweight (cwt), down \$0.70 per cwt from a revised October price of \$81.20 per cwt.

Warren Wagner
Market360 Dairy Adviser
Stewart-Peterson Inc.
wwagner@stewart-peterson.com



Dairy slaughter for the week ending Dec. 7 was 63,800 head, 4,000 head less than the number slaughtered from the same week last year and 15,300 head more than the prior, holiday-shortened week. With only three reporting weeks left in 2013 at the time of this writing, 2.94 million head have been slaughtered year-to-date, just 25,700 head or 0.88 percent more than this time last year. This percentage is the lowest the growth rate has been this year.

The U.S. average price for dairy cows in November was \$80.50 per hundredweight (cwt), down \$0.70 per cwt from a revised October price of \$81.20 per cwt. Although lower on the month, the average cull price is \$3.70 per cwt higher than November of 2012, supported by high cash beef prices and high live cattle futures prices.

Although cash beef and futures have pulled back a bit since their October highs, prices remain elevated and have received support from the recent USDA cattle on feed report. On Dec. 20, the cattle on feed report showed Dec. 1 feedlot inventories down 5 percent from Dec. 1, 2012, and the second-lowest on record for the period since this data has been recorded (since 1996). Feedlot placements during November were down as well at 3 percent lower than November 2012. On Dec. 23, the cold storage report put Nov. 30 total beef stocks up 1.1 percent from the month prior and up 0.7 percent from November 2012. Although higher, this is considered marginal due to an estimated record drop in production as we move into the first quarter.

After pulling back in early November, live cattle futures have been range bound, but with prices creeping back toward the high end of the range, futures look poised for an upside breakout. At the time of this writing, December through April contracts traded at \$132.50 to \$134.80 per cwt. Cash beef recently traded at \$130 and choice boxed beef cutouts were at \$196. **PD**

**MORE MILK?
MORE FAT?
MORE PROTEIN?**



It Can Be Done!

Perdue AgSolutions LLC™
Precision Dairy Nutrition

Smartamine® by Adisseo
Methionine for Ruminants

LYS AA MET.com

P.O. Box 1537 • 6906 Zion Church Rd. • Salisbury, MD 21804 • Toll Free: 800.525.1992