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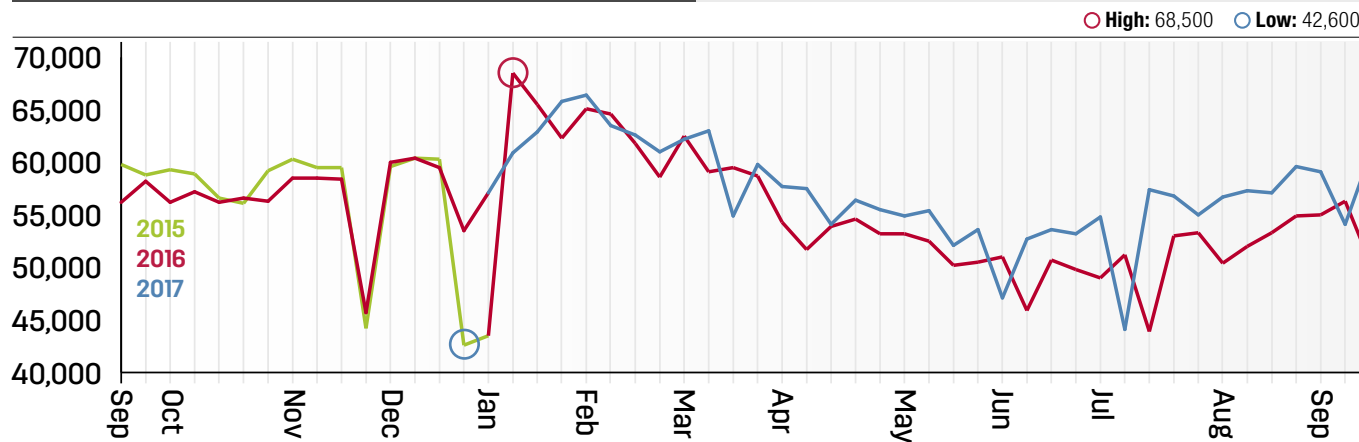
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Dairy slaughter for the week ending Sept. 9 was 54,100 head, which is a 5,000-head decrease from the previous week's total and 3,500 head more than the same week last year. Year-to-date, dairy cow slaughter is 2.056 million head compared to 1.98 million head slaughtered last year. In the Sept. 19 Milk Production report, the USDA reported U.S. dairy herd size for August 2017 at 9.405 million head, which is unchanged from July. Year-to-date, the U.S. herd size in 2017 has increased by 51,000 head.

The U.S. average price for dairy cows in July was \$77.30 per hundredweight, up 80 cents from June but down \$4.20 from July 2016. The seasonal pattern calls for prices to start declining into fall and the early winter months.

DAIRY SLAUGHTER - 2 years



In the Sept. 22 USDA Cold Storage report, August total beef stocks were up 10 percent from July and were unchanged from last year. On Sept. 22, the USDA Cattle on Feed report put Sept. 1 inventory at 10.504 million head. This was 4 percent higher than the same month last year. The report also put August feedlot placements at 1.928 million head, which is 3 percent more than August 2016. Finally, cattle marketed in August totaled 1.979

million head, a 6 percent increase from last year.

Both live and feeder cattle futures prices are holding near the upper end of the sideways trading ranges they have been in for the past few months. Most contract months are trading near contract highs. The USDA estimated the combined total production of beef, pork, chicken and turkey in August was 8.962 billion pounds, 3.7 percent higher than a year ago.

Should the market have trouble absorbing this new inventory, the increased production will likely lead to higher supplies of meat in cold storage. Cold storage reports will need to be monitored moving forward, as higher beef stocks could slow production and hurt prices.

With cattle futures trading near the upper end of this year's trading range, producers should have a plan in place to protect these price levels in case market sentiment changes. ↗