

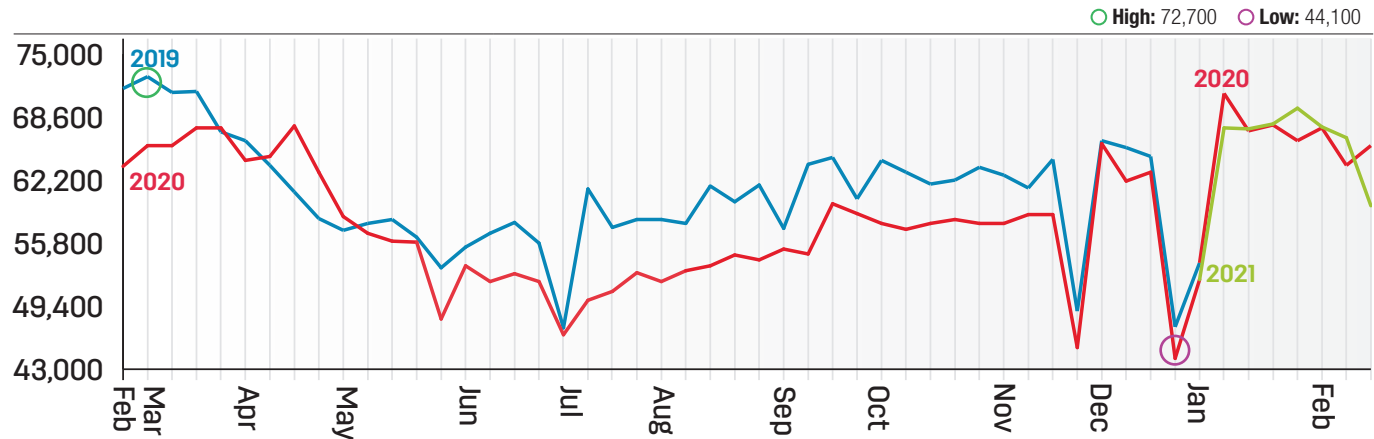


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Winter storm Uri wreaked well-publicized havoc across much of the country, including the cull cow market. Total cow slaughter declined by 15.4% from the prior week. Dairy cow slaughter declined 10.4%, while beef cow culling declined by 26.2%. The wide discrepancy in impact relates to where the storm hit and the relative number of dairy and beef cows slaughtered in that region. For example, in Region 6, which includes Texas, dairy cow slaughter declined from 7,400 head the week before the storm to 1,100 head during the storm week. Beef cow slaughter declined from 14,600 to 3,500 over the same two weeks. Little change in cow slaughter was noted in any of the other regional data. Daily slaughter likely rebounded quickly once the storm passed.

DAIRY COW SLAUGHTER - 2 years



Early estimates indicate rather minimal cow death losses. Very few were noted on dairies, while there were some losses on ranches. The number appears to be relatively small and not likely to be market-moving.

Cull cow prices experienced little change over the storm week. The cow beef cutout value and the wholesale 90 percent lean beef price continued to increase seasonally and are above year-ago prices. Cow prices, cutout values and 90 percent lean beef prices typically increase

seasonally from now past mid-summer. Cow slaughter normally declines seasonally through mid-summer driven by lower dairy cow culling and steady beef cow culling. The only deviation from that might come from more drought-induced beef culling and any profit-driven boost in dairy culling.

The first coronavirus-related closures began one year ago. Many of our price and production comparisons over the next few months will be made against last year's initial coronavirus turmoil.

Economic recovery, more vaccine use and re-opening might provide an additional boost to cow and beef prices in coming months. An interesting situation to watch in the ground beef market will be increasing restaurant sales compared to returning-to-normal grocery stores sales. Declining beef production will likely help prices later in 2021. ↗

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