Dairy slaughter - 3 years

○ **High:** 72,500   ○ **Low:** 41,100

(Chart showing dairy slaughter data from March through March over three years, with values ranging from 35,000 to 85,000. Lines labeled 2013, 2012, 2011, 2014.)

Through the first 11 weeks of 2014, 60,500 fewer head have been slaughtered than through the first 11 weeks of 2013.

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Dairy slaughter for the week ending March 15 was 60,800 head, up 1,200 head from the prior week and down 4,500 head from the same week last year. Through the first 11 weeks of 2014, 60,500 fewer head have been slaughtered than through the first 11 weeks of 2013. In the March 21 milk production report, the USDA increased the January herd count by 2,000 head and put their initial estimate for February unchanged from January. The current U.S. dairy herd stands at 9.211 million head.

The U.S. average price for dairy cows in February was a record $93.60 per hundredweight (cwt), up $5.30 per cwt from a January price of $88.30 per cwt. The January price was the prior record. The cull price continues to get support from high cash beef and futures prices that have been pushed higher by tight supplies.

On March 21, the USDA cold storage report showed February total beef stocks down 5.2 percent from January and down 16.9 percent from the year prior. On the same date, the USDA cattle on feed report put March 1 inventory down 0.5 percent from March 1, 2013, but had February feedlot placements up 14.7 percent from February 2013. Placements for the first two months of the year are 372,000 head greater than through the same time period last year.

The day before the USDA reports were issued, April-through-August live cattle futures closed sharply lower after they opened at or near new contract highs. The contracts responded the same on March 5 when reaching the same price level. The $146.60 level has so far proved to be tough resistance but, as of writing, live cattle has rebounded and is making another attempt to break through. On March 27, April futures closed at $146.50. **PD**