

Evan Disher

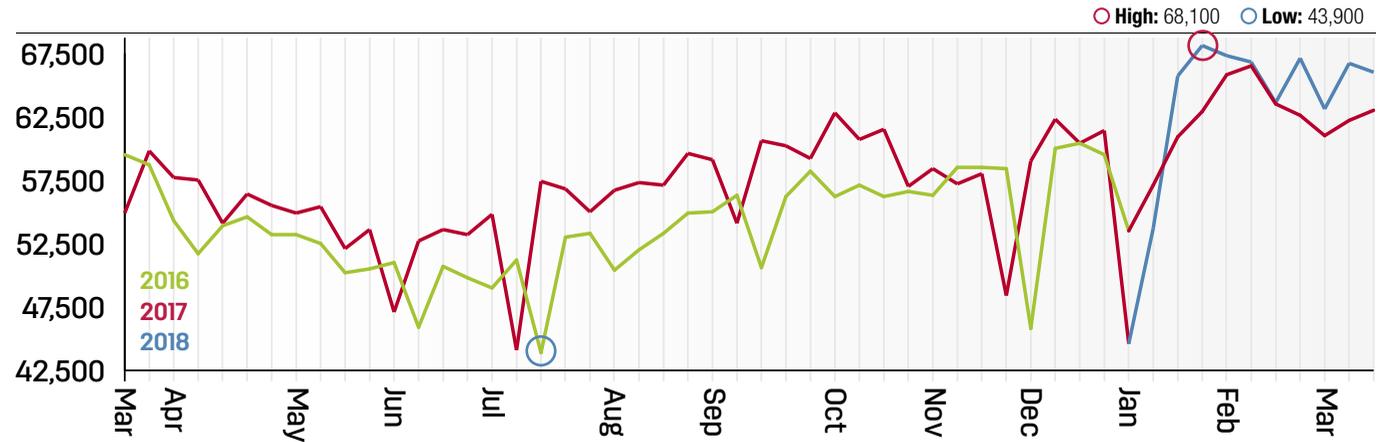
Dairy Adviser
Stewart-Peterson Inc.
edisher@stewart-peterson.com



Dairy slaughter for the week ending March 10 was 66,000 head, which is a 700-head decline from the previous week's total. It is 3,000 head more than the same week last year. Year-to-date, dairy cow slaughter totals 648,100 head compared to 625,400 head slaughtered last week at the time of this writing. In the March 20 Milk Production report, the USDA reported U.S. dairy herd size for February 2018 at 9.41 million head, which is 1,000 head more than January. Year-to-date, the U.S. herd size in 2018 increased by 10,000 head.

The U.S. average price for dairy cows in January was \$63.30 per hundredweight, up \$1.30 from December but down 70 cents from January 2017. The

DAIRY COW SLAUGHTER - 2 years



seasonal pattern calls for prices to turn higher through spring.

In the March 22 USDA Cold Storage report, February total beef stocks were down 8 percent from January and down 8 percent from last year as well. On March 23, the USDA Cattle on Feed report put March 1 inventory at 11.715 million head. This was 9 percent higher than the same month last year. The report also put February feedlot placements at 1.817 million head, which is 7 percent more than the

same month last year. Finally, cattle marketed in February totaled 1.675 million head, which is a 2 percent increase from last year.

Both live cattle and feeder cattle futures have pulled back from the November contract highs and are now in a short-term downtrend. The reason for this is: Fundamentals have turned a bit more bearish in recent weeks. It appears more cattle will be coming to market in 2018. The most recent Cattle on Feed report showed placements

continuing to advance at a strong pace, up 7 percent from last year. Additionally, the report showed a higher number of heavier-weight placements going to feedlots. The combination of larger supplies coming to market and heavier-weight placements could keep pressure on prices.

With cattle futures turning lower and pulling back from recent contract highs, producers should have a plan in place to protect these levels from further declines. 🐄