



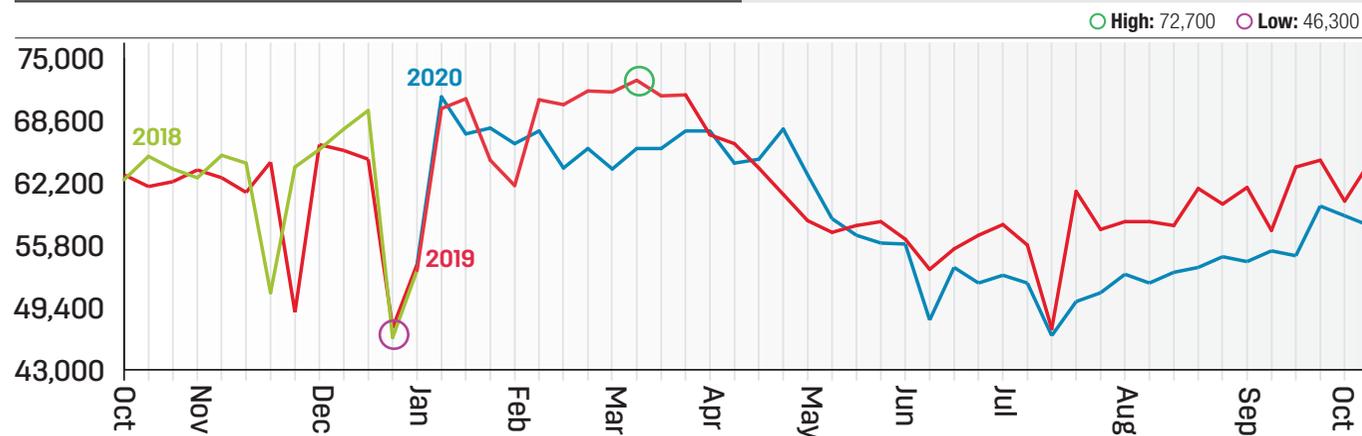
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Total slaughter has been below last year's pace since early July. While remaining below last year, it is starting to pick up seasonally with both beef and dairy cow culling climbing.

Increasing slaughter is coming from both sides of the cow ledger: beef and dairy. Beef cow culling tends to peak in the fall, following production patterns. Since July, beef cow slaughter is almost exactly the same as a year ago, only 1,817 head larger this year. From the August trough of about 58,000 head per week, weekly slaughter has climbed to about 64,000 in early October. Weekly slaughter peaked at 72,900 head in

DAIRY COW SLAUGHTER - 2 years



November last year.

Dairy cow slaughter since July is 10% lower than a year ago. The rebound in milk prices has certainly restrained herd culling. While below a year ago, it is picking up seasonally with weekly slaughter increasing about 10,000 head per week since mid-July.

On balance, total cow slaughter has been about 5% below a year ago over the July-to-early-October period. Reduced slaughter has supported cull cow prices around the country, but that is starting to

change. Seasonally increasing cow slaughter is pressuring prices lower. The coronavirus-driven boom in 90% lean beef prices is long past, leading to prices 9% below last year at \$2 per pound compared to \$2.20 a year ago. Beef imports, largely trimmings to pair with ample supplies of fed beef, have boomed. Fed cattle slaughter, largely back to normal, combined with weights above last year, has created abundant fed beef trimmings which need lean trimmings, leading to more imports. High lean trimmings prices boosted

imports, as well.

Watch for cull cow prices to continue to decline over the next couple months as supplies grow seasonally. Imports should decline through the rest of the year. Drought in the West and the Plains is a wild card. Continued drought development will likely lead to more culling decisions and should force prices lower. 🐄

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