



The U.S. average price for dairy cows in July was \$81.80 per hundredweight (cwt), up \$1.50 per cwt from a revised June price of \$80.30 per cwt.

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Dairy slaughter for the week ending July 27 was 57,200 head, which was 1,300 head greater than the number slaughtered from the same week last year and 1,600 head greater than the week prior. Through the first 30 weeks of the year, slaughter is outpacing 2012 by 51,100 head (2.93 percent).

The U.S. average price for dairy cows in July was \$81.80 per hundredweight (cwt), up \$1.50 per cwt from a revised June price of \$80.30 per cwt. This is the first monthly price increase since March. The typical seasonal pattern is for prices to trend lower from now into November.

Unlike the average cull price, live cattle futures drifted sideways to lower during the month of July. The August live cattle contract began July at \$122.18 per cwt and closed the month at \$121.45 per cwt. This changed on August 8, when Tyson foods announced it would no longer buy cattle fed Zilmax, a feed additive used in the final weeks before slaughter. Tyson indicated their concern with the additive, which adds about 20 to 30 pounds to finished cattle, is some instances in which it appears to make it difficult for cattle to walk. On the day of the announcement, August live cattle futures gapped \$1.45 higher, trading as high as \$123.55 per cwt. As of this writing, August live cattle futures were at \$123.90 per cwt.

The market's move higher since the low (\$117.90 per cwt) was put in on May 20 has been unimpressive so far. Perhaps the Tyson announcement combined with upcoming Labor Day demand and tight fall supplies will give the market a boost. **PD**

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