

MARKET WATCH

CULLING



David Anderson

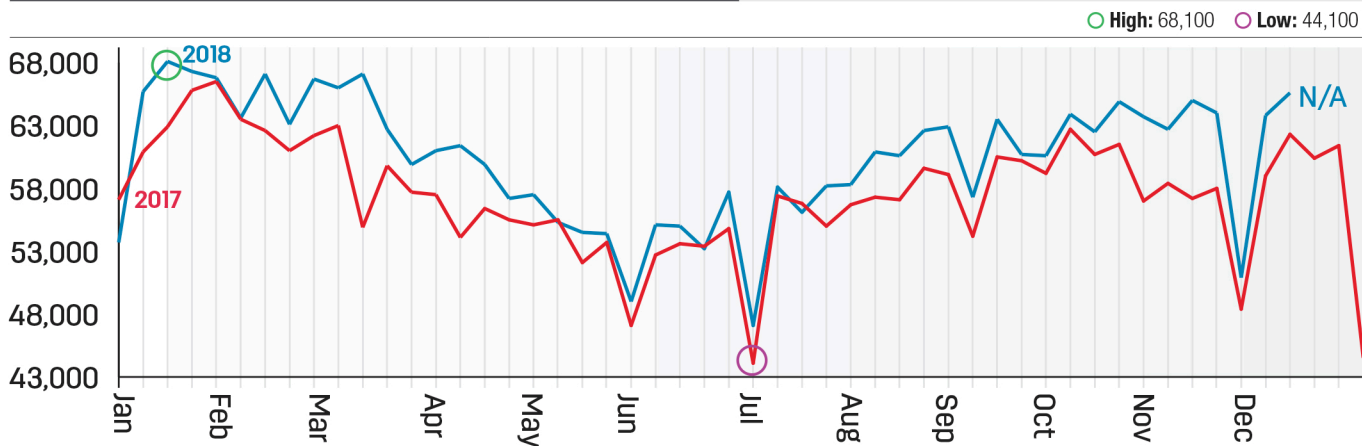
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Cull cow prices spent most of 2018 sliding to new lows before bottoming out the last three months of the year. Prices were pressured by large numbers of cows culled and relatively strong beef imports. The new year is likely to bring more of the same to cow markets.

Large numbers of cow marketings

The first big factor in cow prices in 2018 was the large number culled. Total cow culling is made up of dairy and beef cows. The seasonal contribution of cows to the market differs between the dairy and beef industry segments. Dairy cow slaughter tends to peak early in the year, falling to mid-year lows before climbing in early summer and fall. Beef cow culling hits its peak in the fall. The larger beef cow herd has contributed to more cows on the

DAIRY COW SLAUGHTER - 2 years



market while milk price pressures have boosted dairy cow culling. The combination of those two factors led to total 2018 cow slaughter up 7 percent from the year before. Cow slaughter the week of Nov. 10 totaled 128,700 head, the largest weekly slaughter since Jan. 18, 2014.

Beef imports in 2018, through October, were almost exactly the same, 2.6 billion pounds, as the year before. The majority of beef imports are trimmings destined for the ground beef market, directly competing with cow beef.

Regional cow prices

The combination of increased cow slaughter and steady imports kept large supplies on the market. Yet, cow prices do vary regionally. Southern Plains cull prices were about \$40 per hundredweight (cwt) at year's end, down 34 percent from 2017. Cull cows in Washington and the Northeast held about \$50 per cwt over the same period.

Projection for this year

Large supplies of cows are likely to continue in 2019. The beef

herd is likely going to grow slowly, meaning plenty of cull cows are available from the larger herd. The nation's dairy producers will likely continue to ship cows due to milk prices unless some relief happens. There may be some seasonal increase in cow prices into spring, as usual, but large supplies will likely prevent large, sustained price increases. 🐄

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