

Cull cow prices have finally shown some life in the late part of summer and look like they might finish the year with prices higher than last year. This is welcome news for cow-calf producers making decisions about which animals to retain following fall weaning. Slaughter cow prices in the southern plains have popped in early October, reaching \$55 per cwt, the highest weekly price reported since July 2018.

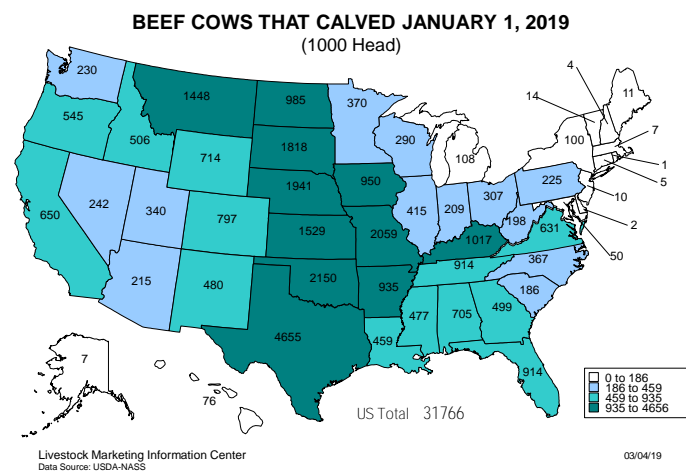
Large volumes of cow-kill have pressured these prices despite wholesale prices of the fresh 90% lean beef being strong all year. Although heavy dairy cow slaughter was a major contributor, beef cow slaughter has increased 2.2% through 39 weeks of the year, or 50 thousand head over last year.

With the January 1 Cattle Inventory report just three short months away, we turn our attention to cull rates inside the beef herd. USDA AMS breaks down federally inspected cow slaughter by regions on a weekly basis and several regions are showing well above last year slaughter numbers, while three regions are running much lighter slaughter figures. The table to the right shows the regional changes through 39 weeks of the year.

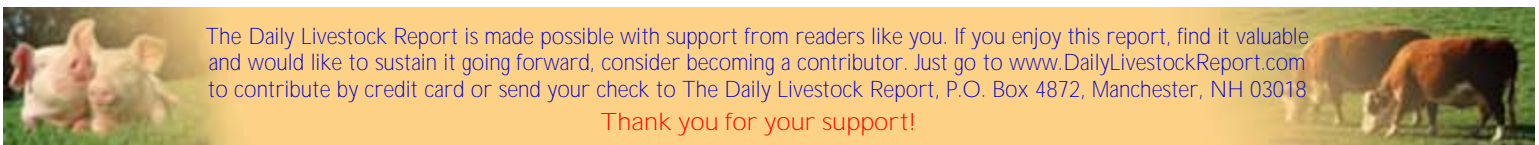
Northern plains (region 8) shows some of the largest change in beef slaughter up 25% on year to date figures in one of the largest cow inventory regions. Regions 10, 4, & 5 are putting up larger slaughter numbers as well. Based on the by state breakdown of Jan. 1 Inventory, that would imply region 5 has sent 20% of its beef cows to slaughter so far this year, while region 8 is only 4%. The regional breakdown of slaughter is based on where the cows are slaughtered, not where they were located, but still gives a close approximation for what regional differences are happening. Region 6, or the southern plains shows far fewer cows being shipped. The cow and heifer slaughter data seem supportive of a smaller beef cow herd on January 1, but based on the regional data it looks like some areas of the country have not been contracting at the same rate. Could some regions see year-over-year increases?

Great forage conditions supported cow-calf operations all summer, with only the southern plains and southeast showing a significant decline in conditions in summer. The regional data would suggest that producers had enough forage alternatives that shipping cows has not happened. The latest bump in cull cow prices, should it continue, could incentivize more cows heading to

Regional Federally Inspected Beef Cow Slaughter			
Regions	USDA Region Designations	YTD 2019 -2018 (1000 head)	% Change Year-Over-Year
Region 1&2	CT, ME, NH, VT, MA, RI, NY & NJ	0	0%
Region 3	DE-MD, PA, WV & VA	7.1	7%
Region 4	AL, FL, GA, KY, MS, NC, SC & TN	28.9	11%
Region 5	IL, IN, MI, MN ,OH & WI	20.7	6%
Region 6	AR, LA, NM, OK & TX	-74.8	-13%
Region 7	IA, KS, MO & NE	-7.6	-2%
Region 8	CO, MT, ND, SD, UT & WY	50.8	25%
Region 9	AZ, CA, HI & NV	-14.2	-12%
Region 10	AK, ID, OR & WA	32.2	18%



market. Fourth quarter slaughter will be more telling on cow-calf producer long term plans. Many are facing calf prices below a year ago this fall.



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