

This publication covers the 90s market quite regularly, but another subset of the cow market that has gained steam this year is premium whites. Premium whites are cows that are fed a high energy ration before slaughter, which adds thick white fat to the body conditioning and coins their name. These premium whites have a larger proportion of the carcass sold as cuts compared to the cutter cow market. Cutter cow meat is primarily ground. The premium whites are often features of “\$5.99 Prime Rib” specials, and less expensive Las Vegas buffets. They are also a permanent feature at inexpensive chain restaurants such as Golden Corral. The premium to the cull cow market can make feeding cows attractive at the right feed costs and with the lean cull cow market remaining at fairly low levels it may be an option.

Fed cows are typically on feed for at least 60-90 days and are given an ionophore to gain weight more efficiently. An [article](#) summarizing the work done at Iowa State University in 2015 showed average daily gains of 3.84 pounds per day with almost 85% qualifying for premium white premiums. One of the challenges in feeding cows is ramping up the concentrate in the ration and the volume of feed it takes to achieve premium white quality. Still with careful management, feeding cows does not always pencil out. Iowa State University in their trial estimated that it took 10.36 pounds of dry matter per pound of gain.

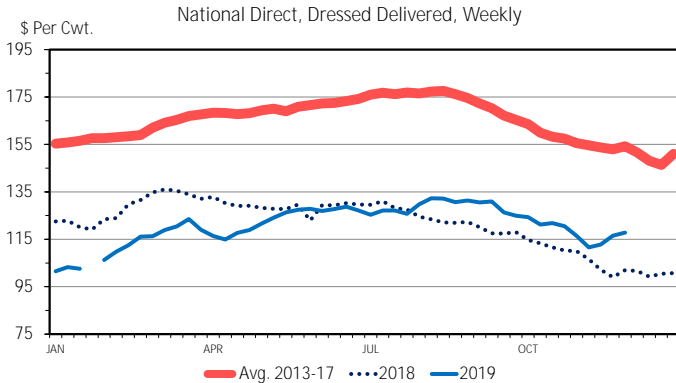
The premium last week for premium whites over breakers 500 pounds and heavier (75% lean) was \$9.31 per cwt, compared to boners (85% lean) 500 pounds and up, the premium was \$11.08 per cwt. Premium whites have gone for as high as \$132.29 per cwt on a national dressed delivered basis this year. This is a far cry from the

highs seen in 2015 and 2014. However, since July premium whites have been commanding prices above last year and in recent weeks the spread has been even higher. In the latest week of data, premium whites were selling 15.6% over last year’s premium white price.

Interestingly, weights of slaughter cows in total have declined in 2019, but the average weights of premium white cows has increased. Last year premium white cows were dressing at 815 pound through the first 48 weeks of the year. This year premium whites are averaging 835 pounds, a 20 pound increase, over the same timeframe.

Year to date volume of premium whites is well below a year ago, down 14%, which could explain the increase over last year’s price. Total cow slaughter is larger, driven by much larger beef cow slaughter at this time. It appears that feeding cows has not been popular this year but as the premium white premium has improved larger volumes have manifested. Starting in October of this year the volume of premium whites crept above a year ago and has remained nearly every week since. The price of premium whites typically softens in the final month of the year, which makes the last couple of weeks and interesting counter-seasonal move. The week of Thanksgiving premium white prices jumped \$3.80 per cwt and added another \$1.30 per cwt the following week. If prices maintain higher values, we could see more cow feeding. Cows in feedlots are difficult to track because most of them are fed on smaller feedlots not covered by the Cattle on Feed report. The quarterly class breakdown used to provide a percentage of cows on feed but that series was discontinued by USDA NASS in 2015.

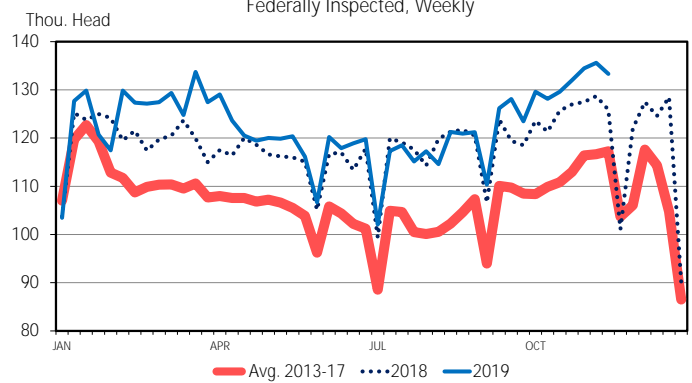
PREMIUM WHITE COW PRICES
National Direct, Dressed Delivered, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

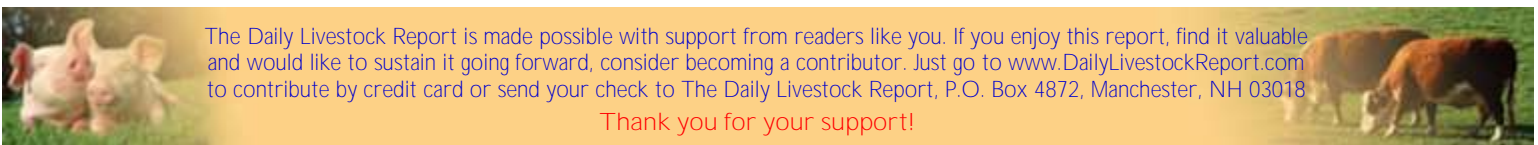
09/09/19

TOTAL COW SLAUGHTER
Federally Inspected, Weekly



Data Source: USDA-AMS & USDA-NASS
Livestock Marketing Information Center

C-S-14
12/02/19



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