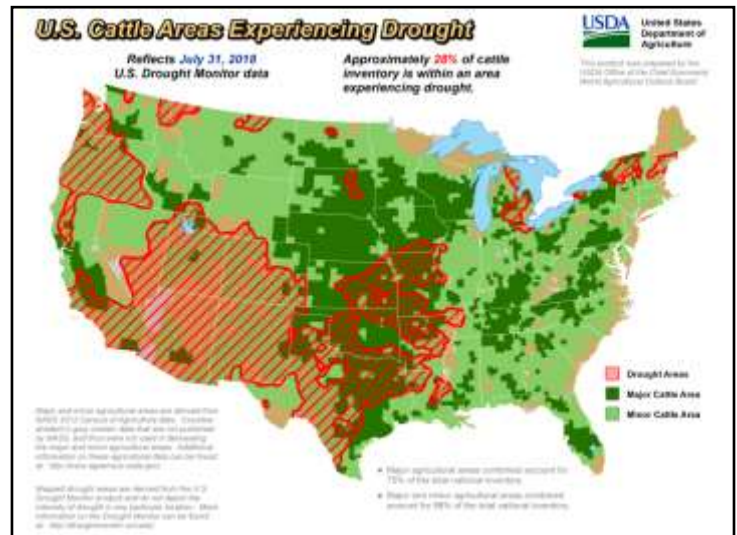
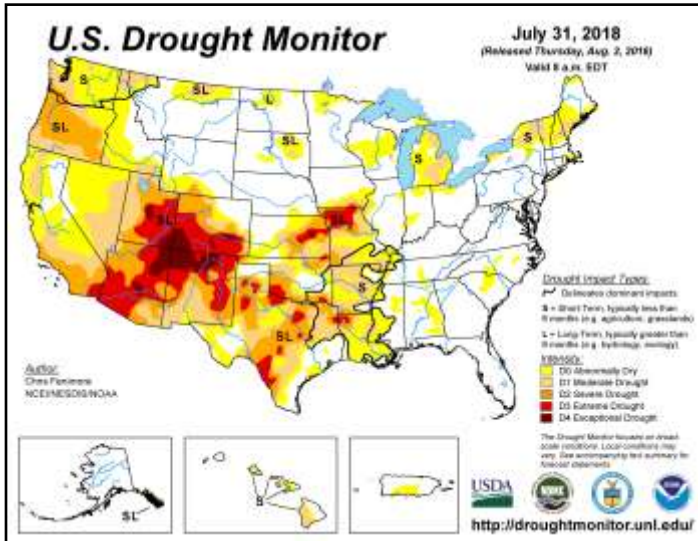


USDA NASS releases the [Crop Progress](#) report updating field conditions for major crops and seasonally, May through October, pasture and range conditions. All year, and certainly through the grazing season the [drought monitor](#) has shown abnormally dry conditions in the southern U.S. west of the Mississippi River. Approximately, 20% of the continental U.S. is in a state of severe drought or worse.

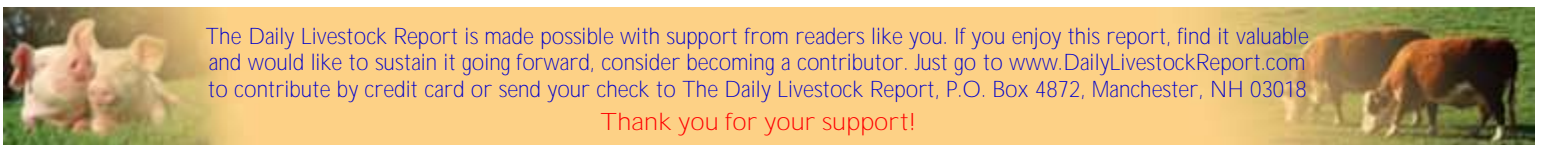
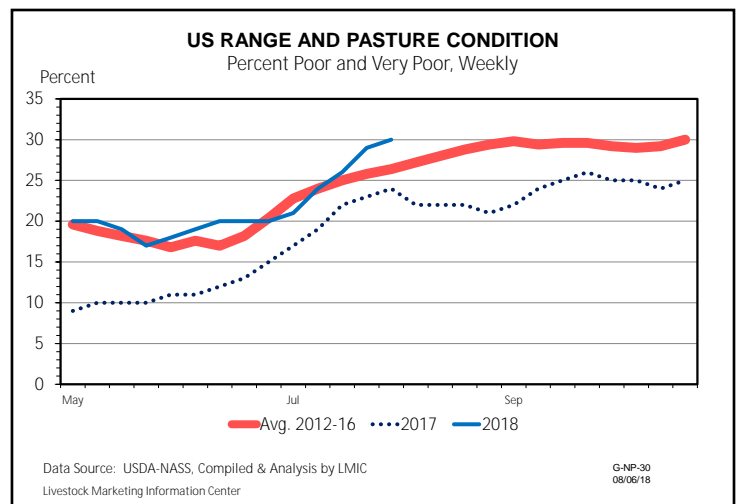


The [World Agricultural Outlook Board](#) uses drought indicators and 2012 Agricultural Census data to estimate the percent of agricultural production that is located in those areas. Using the drought monitor above, it estimates that 29% of total hay acreage is located in these areas and 28% of cattle. In the 2012 Agricultural Census, it was estimated that there were 90 million head of cattle (all cattle and calves) compared to the latest July 1 inventory in 2018, estimating herd size at 102 million head. This map may be underestimating the number of cattle in those areas. LMIC estimates that over 30% of beef cows are in areas that are reporting more than 40% of pasture and range conditions that are poor and very poor. In these areas, supplemental feeding is required to maintain herd health.

The national pasture and range condition ratings for the most recent week estimated 30% of pasture and range conditions are poor and very poor condition. The Western region is facing significantly higher proportions, over 45% in those conditions for the states of AZ, CA, ID, NV, NM, OR, UT, and WA. The Southern Plains (TX and OK) are

facing similar situation, and this week are listed as 42% of pasture and range conditions are poor to very poor.

Beef cow slaughter has been running higher all year, up 11% year-to-date, but its difficult to assess how much of that is drought induced culling. USDA NASS monthly slaughter data shows cow weights dipped below a year ago in the month of June by 4 pounds. The previous five months cow weights averaged slightly higher than the prior year. There have been some reports of culling related to drought, but the data is not definitively pointing in that direction at this time.



The Daily Livestock Report is made possible with support from readers like you. If you enjoy this report, find it valuable and would like to sustain it going forward, consider becoming a contributor. Just go to www.DailyLivestockReport.com to contribute by credit card or send your check to The Daily Livestock Report, P.O. Box 4872, Manchester, NH 03018

Thank you for your support!

The **Daily Livestock Report** is published by **Steiner Consulting Group, DLR Division, Inc.**. To subscribe, support or unsubscribe please visit www.dailylivestockreport.com.

The Daily Livestock Report is not owned, controlled, endorsed or sold by CME Group Inc. or its affiliates and CME Group Inc. and its affiliates disclaim any and all responsibility for the information contained herein. CME Group, CME and the Globe logo are trademarks of Chicago Mercantile Exchange, Inc.

Disclaimer: The *Daily Livestock Report* is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.