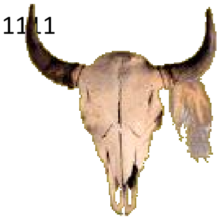

East Texas Livestock, Inc

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July Market Report

Slaughter Cows

Canner .... 21.00 to 35.00
Boning/Utility.... 36.00 to 42.50
Cutter .... 43.50 to 50.13

Slaughter Bulls.......... 45.50 to 59.38

Bred Cows : $520.00 to $890.00/hd

Cow/Calf Pairs: $630.00 to $910.00/pr

FEEDER CALVES

Weight	Large Frame #1 Feeder Steers/Bulls	Large Frame #1 Feeder Heifers
200 to 300 lbs	111.00 to 133.75	100.00 to 127.25
305 to 400 lbs	105.00 to 130.00	95.00 to 121.50
405 to 500 lbs	90.75 to 113.00	84.00 to 106.75
505 to 600 lbs	83.50 to 105.50	80.00 to 99.25
605 to 800 lbs	80.75 to 102.50	73.00 to 96.00

SUMMARY

Cash prices continued to soften as the beef complex entered the dog days of summer. The grilling season continues to be bedeviled by hot summer weather in the south and unusually wet in the northeast. Live prices traded in the $81-82 range and total US cattle slaughter is down an estimated 5.2 %. By mid-month the live and wholesale meat markets continued to remain stuck in the summer doldrums. Continuing economic concerns are dampening any form of beef demand and relief will come in the form of a global recovery. Cattle prices have continued to remain choppy throughout July.

The USDA raised its estimates of the 2009 corn crop by 2 % which could in effect shave .50 cents off per bushel. Corn prices on December contracts have dropped from $4.50 to $3.25 / bushel in the last 30 days. Legislation has also been introduced to phase out government support for ethanol over the next 5 years. Cattle feeders have lost over $5.2 billion in equity since 2008 due to high feed cost and anemic economic factors. Elimination of government supported ethanol will level the playing field between agriculture and energy demands.

On the export side S. Korea continues to play hard ball with it ever changing stipulations on importing our beef products. It appears every time there is an agreement to full export status, they change their demands. Recent export figures also show beef shipments to Mexico are 20 % lower and to Canada 10 % lower due to a continuing backlash of the COOL trade agreement.

The USDA cattle on feed report for July was labeled "slightly positive" with a 91.6 % placement and100.6 % marketing figure. Also another huge dairy buyout appears to be in the making which could be an additional 200,000 dairy cows being slaughtered to help raise milk prices.

It appears that the supply side of beef is positioned for higher prices to both the producer and feeder. The lowest number beef herd since 1952 has helped the supply side position but the negative factor is the demand side just isn't there. Until the world economies regain their composure, the prices will just remain under pressure.

Closer to home, the demand appears steady for our feeder calves. Native pastures up north are unbelievably lush which is allowing feeders a cheaper rate of gain. The marketing numbers are fairly large and slaughter figures continue to remain under pressure due to the continuing drought in S. Texas and local dry conditions.

Again, if we can be of any help, please call us.   Thanks !

East Texas Livestock, Inc