



East Texas Livestock, Inc

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March Market Report

Slaughter Cows

Canner 21.00 to 37.60

Boning/Utility.... 38.60 to 45.40

Cutter 46.40 to 53.50

Bred Cows : \$520.00 to \$1010.00/hd

Slaughter Bulls..... 48.70 to 61.50

Cow/Calf Pairs: \$700.00 to \$1120.00/pr

FEEDER CALVES

Large Frame #1

Feeder Steers/Bulls

200 to 300 lbs.....116.20 to 126.00

305 to 400 lbs..... 106.20 to 122.40

405 to 500 lbs..... 96.00 to 116.00

505 to 600 lbs..... 85.00 to 106.20

605 to 800 lbs..... 79.50 to 95.20

Large Frame #1

Feeder Heifers

107.80 to 120.88

95.00 to 115.20

84.00 to 104.00

80.00 to 95.60

73.00 to 89.00

SUMMARY

The beef market continued to remain under pressure during March. Packer profit margins continued to remain in the red as overkills forced beef prices lower in order to clear inventory. Stocker buyers cautiously began to acquire calves for summer grazing as both drought and unstable future prices left the markets with no sense of direction. The past 6 months has totally weakened beef demand and the roller coaster stock market continues to drag the futures market behind. Softer beef demand and outside economic influences will short term continue to dictate the market.

Cow slaughter numbers remain larger than a year ago due to drought conditions and the huge dairy buyout is still scheduled for 2009. The delicate balance between beef supplies and demand continues to elude the experts which pressures any consistent direction for the markets. Stocker and feeder prices continue to remain under pressure with the packers showing little enthusiasm for gathering additional inventory. Potential buyers have become smaller after being plagued with red ink over the last two years.

The USDA cattle on feed report was classified by market analysts as slightly bullish with lighter than expected placements. (placements @ 97.4% and marketings @ 94.7). The recent rains in Texas, Oklahoma and Louisiana broke the drought conditions and slowed the marketing of cattle. Experts feel the drought has cost Texas ranchers an estimated \$1 billion after forcing them to sell in a declining market. The continuation of losses in the feedlot sector has completely eroded the feeder's equity which has limited his borrowing ability for future feeding. More negative news is it appears the Obama administration appears to show support for corn based ethanol production.

Heading into April, many market analysts feel beefs seasonal lows have been reached and a spring rally could well be close. Several obstacles still remain but the out-front orders for beef continue to run ahead of last years. Word is that retailers are already poised to feature beef aggressively this spring and with a little help, we could see the market solidify. Let's hope so!

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