



# EAST TEXAS LIVESTOCK, INC

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## March Market Report

### Slaughter Cows

**Canner ..... 38.00 to 47.80**

**Boning/Utility.... 48.80 to 55.00**

**Cutter ..... 56.00 to 61.80**

**Bred Cows : \$520.00 to \$980.00/hd**

**Cow/Calf Pairs: \$630.00 to \$ 1130.00/pr**

**Slaughter Bulls..... 55.00 to 70.20**

### FEEDER CALVES

#### Large Frame #1

#### Feeder Steers/Bulls

**200 to 300 lbs.....111.00 to 152.10**

**305 to 400 lbs..... 105.00 to 145.80**

**405 to 500 lbs..... 90.00 to 135.20**

**505 to 600 lbs..... 83.00 to 126.80**

**605 to 800 lbs..... 80.50 to 115.00**

#### Large Frame #1

#### Feeder Heifers

**100.00 to 140.80**

**95.00 to 137.20**

**84.00 to 126.80**

**80.00 to 113.60**

**73.00 to 104.60**

### SUMMARY

March opened with live cattle trading in the \$90-\$92 cwt range. The market experienced an unexpected rally which was directly due to a supply driven market. The combination of reduced weekly slaughter rates plus the sharp reduction in carcass weights ( 22 lbs per head from a year ago) also contributed to the duration of the rally. Beef analysts also pointed out that cold weather had also apparently sharpened appetites along with the increasing fear of beef import shortages could well be factors in keeping this demand driven market's continuation. Reduced supplies continued to keep the market prices healthy. This was extremely welcomed news after the fed market witnessed December lows of \$80 cwt and past winter conditions having been horrible causing the gain cost to explode in the feedlots.

By mid-month corn prices had stabilized in the \$3.50/bushel range. Placements continued to be subdued due to the weather hampering the movement of cattle off of the wheat fields. This having taken place after there were signs of early wheat cattle starting to move due to the good moisture conditions and wheat farmers hoping to improve their yields by removing their grazing cattle early.

Open interest in cattle continued to remain exceptionally good as feeders priced their finished cattle at \$98 cwt and sold them. Both the food service sector and retail sales continued to remain healthy with the market demand surprising most analysts. The late March rally is totally demand driven and witnessing the highest prices since the fall of 2008! Some market observers actually feel live cattle could well reach \$100 within the near future but still remain cautious. The negative side to this is fear of higher prices could well backfire with consumers substituting cheaper proteins (chicken and pork) because of the continuation of consumer limited spending. It will take declining unemployment figures, improved export demand and profits at every level of the beef complex to regain market confidence.

Closer to home, our feeder calve prices have exploded! The demand has been extraordinary for all weights and classes and seems positioned to remain this way for the present time Slaughter cows and bulls have also witnessed figures unseen in a long time. As the winter cold weather loses its grip and spring approaches, replacement figures are also very healthy as the producer starts to replenish herd numbers. Heading into April, we appear to be in good condition!