



East Texas Livestock, Inc

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August Market Report

Slaughter Cows

Canner 21.00 to 33.00

Boning/Utility.... 34.50 to 42.50

Cutter 43.50 to 50.50

Bred Cows : \$520.00 to \$1110.00/hd

Slaughter Bulls..... 45.00 to 59.13

Cow/Calf Pairs: \$630.00 to \$1000.00/pr

FEEDER CALVES

Large Frame #1

Feeder Steers/Bulls

200 to 300 lbs..... 111.00 to 139.75

305 to 400 lbs..... 105.00 to 135.00

405 to 500 lbs..... 90.00 to 120.50

505 to 600 lbs..... 83.00 to 113.50

605 to 800 lbs..... 80.50 to 102.50

Large Frame #1

Feeder Heifers

100.00 to 130.75

95.00 to 126.00

84.00 to 113.25

80.00 to 103.50

73.00 to 97.50

SUMMARY

Weak beef demand continued to dictate beef prices as evidence mounted showing the industry has lost its currentness. The continued stagnant economy and bleak forecast continues to plague beef prices along with historically small kills along with mounting opposition overseas to our beef exports are handing us a dismal outlook for the near future. A sharp decline in pork exports has also put more pork on the market which competes with beef for the consumer's already reduced protein budget.

The drought in S. Texas continues to help overburden the slaughter market prices as cows continue to flood the markets. To add to this scenario is the second round of the USDA dairy buyout which consists of over 86,000 dairy cows to be slaughtered by the end of September. Even with this, milk production continues to remain virtually unchanged as producers are selling off their least productive cows while the other herds are increasing their productivity.

By mid-month feeder calve prices continued to remain soft and the increase in market-ready cattle plus poor feedlot demand continued to further stress the industry. (feedlot marketings in June were the lowest since 1996!) The USDA cattle on feed report of August 21 was classified as "slightly negative" because of the higher than expected July placements (112.5%) and smaller than expected marketing figure (94.6%).

As we end August, many market analysts are hopeful for a strong beef showing over the Labor Day weekend. Many regional grocers are making new efforts for marketing meat products and the market has began to demonstrate the ability to absorb more beef products. Supplies of market ready cattle continue to decline along with the overall cattle numbers. Increased production cost, lower calf prices and weather conditions continue to insure smaller cattle numbers which should boost market prices in 2010. A record large corn crop this year should also help lower feed cost for cattle feeders. Over capacity in the feedlots and the competition for declining feeder cattle supplies should help limit any downside in feeder calf prices.

Locally the marketing numbers appear to be normal for this time of the year. East Texas has areas in dire need of rain while other areas appear to be in relatively good shape. Hay is in short supply and pastures are beginning to show stress. The demand for our feeder calves has remained good but the slaughter figures continue to remain under pressure.

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