



# East Texas Livestock, Inc

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## June Market Report

### Slaughter Cows

Canner ..... 21.00 to 35.80

Boning/Utility.... 36.80 to 44.40

Cutter ..... 45.40 to 52.00

Bred Cows : \$520.00 to \$940.00/hd

Slaughter Bulls..... 45.90 to 61.10

Cow/Calf Pairs: \$670.00 to \$1360.00/pr

### FEEDER CALVES

#### Large Frame #1

#### Feeder Steers/Bulls

200 to 300 lbs..... 111.40 to 129.60

305 to 400 lbs..... 105.00 to 128.00

405 to 500 lbs..... 93.00 to 113.80

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

605 to 800 lbs..... 81.50 to 99.20

#### Large Frame #1

#### Feeder Heifers

100.00 to 121.80

95.00 to 114.00

84.00 to 106.00

80.00 to 100.40

73.00 to 96.00

### SUMMARY

Beef demand continued to remain under pressure during June as cheaper pork and chicken took proportionately more of the consumer's food dollars. Rains in the north and heat in the south dampened the hopes of any strong beef sales over the Memorial holidays. Market analysts blame the continuing financial crisis, more job layoffs, higher energy cost and the total lack of confidence in our economic position as the key to the beef industry recovering. Cheaper proteins will continue to entice the consumer's tightened budgets. The squeeze on the consumer's income well may last longer than early economic projections.

May and June are normally the strongest demand months for beef but fell way short of providing any figures to be optimistic about. Beef demand continues to remain weak and faces seasonally softer demand. There remains too much beef on the market under these economic conditions.

Ethanol has once again become a hot topic as the fight for corn between food products and fuel takes center stage. Projectionist now feel the ethanol demand could consume more than half of all corn production Ethanol usage could well pass feed usage in the 2009-2010 period. COOL also continues to create problems by causing Mexico and Canada to retaliate by halting their beef purchases from the US.

The USDA cattle on feed report reflected the continued heavy feeding losses and excellent grass conditions. Placement figures were the lowest in 13 years but the positive effect from this won't be felt until possibly the 4<sup>th</sup> quarter of this year. ( 86.2 placement and 91.2 marketings) The report itself was classified "neutral to slightly positive".

Hopefully beef demand should improve both domestically and globally as we enter 2010. Should China and other pacific-rim countries lift their bans on US beef, our markets could explode with stronger prices. This however depends on their economies restructuring and becoming stronger again too. Continued lack of producer profitability will further encourage producers to downscale and even liquidate their herds. Higher feed cost and drought will also accentuate this scenario. The US cow herds will continue to become smaller as a result.

*East Texas Livestock*