



East Texas Livestock, Inc

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May Market Report

Slaughter Cows

Canner 21.00 to 39.50

Boning/Utility.... 40.50 to 48.25

Cutter 49.25 to 55.88

Bred Cows : \$520.00 to \$970.00/hd

Slaughter Bulls..... 49.00 to 66.50

Cow/Calf Pairs: \$670.00 to \$1030.00/pr

FEEDER CALVES

Large Frame #1

Feeder Steers/Bulls

200 to 300 lbs.....117.00 to 139.00

305 to 400 lbs..... 105.00 to 128.50

405 to 500 lbs..... 96.00 to 115.75

505 to 600 lbs..... 85.00 to 108.75

605 to 800 lbs..... 81.50 to 104.50

Large Frame #1

Feeder Heifers

100.00 to 125.25

95.00 to 120.50

84.00 to 111.75

80.00 to 105.00

73.00 to 98.00

SUMMARY

April marketings ended lower due to the smaller supplies of market ready cattle yet still only managed to reach \$83 cwt. The cash market continued to show the lack of investor confidence as higher corn prices along with two years of consistent losses along with the US and global economies remaining in a depression have definitely created an environment unattractive to any new investors. Beef sales also continued to be disappointing as we move into June. It appears that higher grain prices plus falling cattle futures are the norm.

The onset of the H1N1 (swine flu virus) also has staggered the protein market. Analysts initially felt that this would move the higher price protein beef due to the fears of any swine related items but instead actually pork prices were discounted by retailers which inadvertently added more pressure to beef prices.

MCOOL also continues to create problems with our largest export partners Mexico and Canada. Both countries feel the act was a directed negative punch to their beef products while enhancing the sale of US products and have threatened repercussions should the US not modify the regulations. Also the continuing debate over NAIS (National Animal Identification System) has once again become a hot topic. Both sides continue to wage and defend their arguments as to the positive and negative sides of the implementation of such a system.

The USDA corn estimates show about 140 million bushels lower than most earlier trade estimates which have bolstered corn future prices and should the Obama Administration decide to continue the ethanol project, corn for cattle feeders will take a back seat once again.

The USDA dairy buyout has been reduced from 300,000 to 104,000 dairy cows. This has just started and should be ended by the end of July. Analysts feel with beef cow numbers declining, this reduced figure shouldn't affect the slaughter market but slightly. The USDA on feed report was classified "slightly negative" with a 104.2 % placement and 93.1 % marketing figures.

As we end May, retailers are geared for a strong Memorial Day meat movement. Feedlots continue to remain current and carcass weights continue to drop. Our feeder calve demand remains healthy heading into June!

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