



# EAST TEXAS LIVESTOCK, INC



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## October Market Report

### Slaughter Cows

Canner ..... 21.00 to 32.50

Boning/Utility.... 33.50 to 41.00

Cutter ..... 42.00 to 47.50

Bred Cows : \$520.00 to \$950.00/hd

Slaughter Bulls..... 42.50 to 56.25

Cow/Calf Pairs: \$620.00 to \$940.00/pr

### FEEDER CALVES

#### Large Frame #1

#### Feeder Steers/Bulls

200 to 300 lbs.....111.00 to 130.00

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

405 to 500 lbs..... 90.00 to 121.50

505 to 600 lbs..... 83.00 to 109.00

605 to 800 lbs..... 80.50 to 92.25

#### Large Frame #1

#### Feeder Heifers

100.00 to 124.35

95.00 to 123.25

84.00 to 113.75

80.00 to 102.25

73.00 to 89.00

### SUMMARY

October started with slow marketings and record heavy carcasses which continued to pressure the beef market. Earlier predictions of tighter supplies should have pushed the fed market to \$90 cwt but continued to remain stagnant in the low \$80's as the markets still showed any lack of consumer confidence and aggression. Fed cattle had performed too well in the feedlots due to ideal feeding conditions, cheaper feed cost and delayed feedlot marketings. Reduced prices and lower kill rates had also contributed to this glut of overripe cattle. As it stands the beef industry is poised to produce more beef in the first quarter of 2010 than the same period in 2009. This factor also looms as a negative to beef prices unless there is a major improvements in both domestic beef demand and increases in foreign exports.

The 3<sup>rd</sup> round of the dairy buyout is also set to began as dairy producers still maintain they need government intervention to raise dairy product prices. Over 225,000 cows are to be removed with dairy farmers set to receive \$350 million in aid from the federal government.

Corn prices have also become unstable due to freeze threats along with a weaker dollar and increasing exports. This along with lower cash prices has created a softer position for beef as most feedlots appear to be backing away from feeder purchases. Retail beef buyers have also shown hesitancy in beef purchases because of the fear of overbuying in this still anemic economy. Continued job losses and questionable holiday spending habits continue to elude any market directional trends. Feeders will continue to remain wary of rising input cost and what little buying is done appears to be done with little enthusiasm.

The USDA cattle on feed report of October 16<sup>th</sup> once again showed a large placement figure (103%) against a small marketing figure (96%). This is the 3<sup>rd</sup> straight month of large placements and are threatening next years pricing opportunities.

As we end the month live cattle have showed some gain and are priced in the \$87-88 range although breakevens still remain at \$90 cwt and higher. Feeder and slaughter prices appear to remain stable in the local livestock arenas. The northern wheat fields appear to be in excellent shape but the huge equity losses in the beef industry will continue to limit the financial trust of bankers to loan money for feeder purchases. The marketing numbers appear to be normal for this time of the year.

*East Texas Livestock*