

East Texas Livestock, Inc
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MONTH END MARKET REPORT
JUNE , 2020

SLAUGHTER COWS.

CANNERS..... \$51.20 TO \$58.40
BONING/UTILITY.....\$59.00 TO \$65.60
CUTTERS..... \$66.60 TO \$73.40

SLAUGHTER BULLS..... \$89.00 TO \$103.40

REPLACEMENT COWS

BRED COWS \$580.00 TO \$1425.00

COW/CALF PAIRS \$700.00 TO \$2125.00

FEEDER CALVES

FEEDER STEERS/BULLS.
LARGE FRAME #1

FEEDER HEIFERS
LARGE FRAME #1

	WEIGHT CLASS AVG.		WEIGHT CLASS AVG
200 TO 300 LBS.... \$1.49 TO \$1.84	151.79	\$1.26 TO \$1.60	123.52
300 TO 400 LBS.... \$1.36 TO \$1.75	143.29	\$1.20 TO \$1.56	126.74
400 TO 500 LBS.... \$1.27 TO \$1.55	131.49	\$1.12 TO \$1.41	123.73
500 TO 600 LBS.... \$1.13 TO \$1.39	122.37	\$1.09 TO \$1.31	118.76
600 TO 800 LBS.... \$1.08 TO \$1.31	116.38	\$1.00 TO \$1.24	110.06

MONTHLY SUMMARY

THE SHORTAGE OF BEEF CONTINUED TO PLAGUE THE MEAT COUNTERS AS THE COVID-19 VIRUS STILL LIMITED THE PACKING HOUSES FROM THEIR NORMAL WEEKLY KILL NUMBERS. CASH TRADE WAS FROM \$1.15 TO \$1.20 AS THE PACKERS CONTINUED TO RAKE IN UNBELIEVABLE PROFITS. CONGRESS UNDER PUBLIC PRESSURE HAS REQUESTED THE DOJ TO INVESTIGATE THE BIG 4 PACKERS AS TO PRICE FIXING AND GOUGING. EVEN WITH THE WEEKLY SLAUGHTER RATES MOVING BACK INTO NORMALCY THE DARK CLOUD OF OVER 1 MILLION MARKET-READY FAT CATTLE STILL NEEDED TO BE PROCESSED AS NEW ONES ARRIVED DAILY ON THE MARKET SHOW LIST. THE PACKERS CONTINUED TO HAVE FULL LEVERAGE OVER THE CASH MARKET. MARKET ANALYSTS FEEL THE BACKLOG MIGHT NOT PEAK UNTIL AUGUST AND THE CATTLE ON FEED WAS UP OVER 33% FROM JUNE 1 LAST YEAR. WEEKLY SLAUGHTER RATES DUE TO CONTINUED VIRUS PROBLEMS ALONG WITH ANTIQUATED PLANTS WONT ALLOW ANY CATCHUP UNTIL OCTOBER OR POSSIBLE LATER THIS YEAR.

THE ECONOMIC IMPACT ON BUSINESSES CONTINUALLY CLOSING AND THE HUGE LOSS OF JOBS APPEARS TO BE LASTING FOR THE BALANCE OF THIS YEAR. AS OF THIS REPORT THERE ARE FROM 30 TO 40 MILLION PEOPLE OUT OF WORK. RESTAURANTS BY REGULATIONS WERE SLOW TO RE-OPEN BUT IT APPEARS THAT THE CONSUMER HAS TURNED FROM THE TOP-CUTS TO GROUND BEEF. (GROUND BEEF SALES INCREASED BY MORE THE \$1 BILLION COMPARED TO THIS TIME LAST YEAR!). WE CONTINUE TO AND WILL WITNESS THOUSANDS OF FULL SERVICE RESTAURANTS THAT ARE CLOSING PERMANENTLY THIS YEAR. UNCERTAIN CONSUMER DEMAND WILL ALSO PLAY A MAJOR FACTOR AS CHEAPER PROTEINS FROM PORK AND CHICKEN ALONG WITH VEGETABLE BASED SYNTHETIC PROTEIN WILL CONTINUE TO LULL THE CONSUMER AWAY BECAUSE OF PRICING. THE CONSUMERS HAD BEEN FORCED TO CHOOSE ALTERNATIVE PROTEIN SOURCES AND NOW THE INDUSTRY HAS THE TASK OF RECAPTURING THEM.

BY MID-MONTH THE SLAUGHTER RATE HAD RAMPED UP TO OVER 650K HEAD. PLANTS WERE OPERATING AT 95% CAPACITY AND LIVE PRICES DROPPED FROM \$1.01 TO \$1.08. EXPORT TRADE HAS ALSO BEEN DAMAGED AS HIGHER PRICES HAVE FORCED OUR FOREIGN BUYERS TO FILL THEIR BEEF NEEDS ELSEWHERE. CHINA HAS TURNED TO AUSTRALIA BUT AUSTRALIA'S DROUGHT HAS FORCED HUGE LIQUIDATIONS OF THEIR NATIONAL HERD. JAPAN HAS STEPPED UP HOWEVER IN THEIR PURCHASES AND EVEN THE CHINA TRADE HAS TRENDED HIGHER IN SPITE OF THE TWO GOVERNMENTS FEUDING.

AS OF THE LAST WEEK OF JUNE THE SECOND WAVE OF THE COVID-19 VIRUS HAS ONCE AGAIN FORCED TEXAS INTO LIMITING BOTH RESTAURANT AND SOCIAL GATHERINGS. THE LATEST DROUGHT MONITOR SHOWS THERE ARE MORE "DRY POCKETS" APPEARING IN THE GRAZING COUNTRY. MOSTLY IN THE MOUNTAIN REGION AND WESTERN SOUTHERN PLAINS BUT MOVING EAST INTO THE COW-CALF PRODUCING COUNTRY. THIS COULD WELL LIMIT EARLY WEANING AND THE GRAZING PROGRAMS AND NO DOUBT HAVE AN EFFECT ON OUR PRICES THIS FALL. THE USDA CATTLE ON FEED REPORT OF JUNE 19TH WAS CLASSIFIED AS NEUTRAL BECAUSE PLACEMENTS AND MARKETING'S FELL WITHIN THE PRE-REPORT FIGURES. LIVE CATTLE PRICES HAVE DROPPED TO THE \$97-\$98 RANGE WITH THE NUMBER OF CATTLE ON FEED GREATER THAN 150 DAYS UP OVER 900 K FROM THIS TIME LAST YEAR.

FROM OUR ANGLE IT APPEARS THAT WITH THE GOOD PASTURE CONDITIONS WE CONTINUE TO EXPERIENCE, THERE IS A LARGE WAVE OF FALL CALVES STILL YET TO BE MARKETED. DEMAND AND PRICES HAVE BEEN INCONSISTENT THE PAST COUPLE OF WEEKS AS JULY APPROACHES, THE PRESSURE ON THE MARKET'S FUTURE PRICES IS STILL YET TO HAVE A DIRECTION DUE TO DIFFERENT FACTORS THE PAST SEVERAL MONTHS. WE CAN ONLY PRAY THAT OPTIMISM WILL OVERSHADOW THE PESSIMISM.

REMINDER: WE WILL BE HAVING A JULY WEANED CALF SALE ON JULY 14TH
PLEASE CALL BY JULY 8TH AND INFORM US OF YOUR NUMBERS AND INFORMATION

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