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MONTH END MARKET REPORT
OCTOBER , 2020

THE FIGURES BELOW REPRESENT BOTH THE HIGH AND LOW MONTHLY AVERAGES

SLAUGHTER COWS
 CANNERS..... \$ 40.00 TO \$ 46.25
 BONING/UTILITY.....\$ 47.25 TO \$ 54.00
 CUTTERS..... \$ 55.00 TO \$ 62.00

SLAUGHTER BULLS..... \$ 73.50 TO \$ 85.50

BRED COWS \$ 650.00 TO \$ 1400.00

REPLACEMENT COWS

COW/CALF PAIRS ... NO TEST!

FEEDER CALVES

FEEDER STEERS/BULLS.
 LARGE FRAME #1

FEEDER HEIFERS
 LARGE FRAME #1

WEIGHT CLASS AVG.

WEIGHT CLASS AVG

200 TO 300 LBS.... \$1.37 TO \$1.75	1.29	\$1.25 TO \$1.52	1.13
300 TO 400 LBS.... \$1.27 TO \$1.71	1.33	\$1.18 TO \$1.49	1.15
400 TO 500 LBS.... \$1.22 TO \$1.59	1.24	\$1.08 TO \$1.44	1.12
500 TO 600 LBS.... \$1.16 TO \$1.36	1.15	\$1.05 TO \$1.29	1.09
600 TO 800 LBS.... \$1.09 TO \$1.24	1.09	\$. .97 TO \$1.18	1.07

MONTHLY SUMMARY

THE MONTH OF OCTOBER IN PAST YEARS HAS PROVEN TO BE EXTREMELY HARD ON FEEDER CALVES HEALTH ALONG WITH DEATH LOSSES AND MARKET PRICE REDUCTIONS. THIS ONE HAS BEEN NO EXCEPTION ALONG WITH OTHER CRITICAL FACTORS.

FROM ALL ACCOUNTS OCTOBER SHOWED THE INDUSTRY HAD NEARED A POINT WHERE OVERSUPPLIES APPEARED TO BE CLEANING UP ALTHOUGH THE LARGE PLACEMENT PATTERNS THE PAST MONTHS STILL CONTINUED TO THREATENED THE UPCOMING YEAR WITH THE HEAVIEST FEEDER CALF MOVEMENT STILL IN FRONT OF US. ANALYSTS ARE PREDICTING THE FED CATTLE SUPPLIES WILL CONTINUE TO INCREASE THROUGHOUT THE FIRST QUARTER OF 2021. LIVE CATTLE WERE TRADING IN THE \$1.08 AREA AT THE FIRST OF THE MONTH.

TO ADD TO THE PRESSURE ON THE CATTLE MARKET, THE USDA HAS REPORTED A TIGHTER THAN PREDICTED CORN CROP RESULTING IN HIGHER GRAIN COST IN THE FEEDLOTS. SHARPLY HIGHER CORN COST WILL PUT A DAMPER ON PRICES ON THE REPLACEMENT CATTLE. THIS ALONG WITH THE CONTINUING DROUGHT IN THE SOUTHWEST ALSO ADDS PRESSURE TO PRICES. DRY WEATHER ALONG WITH DUST AND LARGE SWINGS IN TEMPERATURES HAVE AND WILL CONTINUE TO AFFECT FEEDER CALF PRICES. COW SLAUGHTER ALSO CONTINUES TO REMAIN LARGE INDICATING THAT THERE IS LIQUIDATION OF HERDS FROM DROUGHT CONDITIONS PLAGUING THE SOUTHWEST. BOTH HIGHER GRAIN PRICES AND INCREASING DROUGHT AREAS IN THE COUNTRY ARE BEGINNING TO SHOW TROUBLE ON THE DEMAND SIDE. SLAUGHTER RATES CONTINUE TO BE IN THE 650K A WEEK WITH PACKER PROFIT MARGINS REMAINING AROUND \$300.00/HEAD.

BY MID-MONTH THE MARKET SHOWED SIGNS OF MORE PRESSURE WITH BUYING FIGURES ADJUSTING FURTHER DOWNWARD. ON OCTOBER 19 THE FEEDER BOARD CRATERED WITH FEEDER CALF PRICES COLLAPSING FROM \$10 TO \$20 CWT. WITH NO CERTAIN NEGATIVE NEWS TO BLAME THIS ON, IT WAS CAUSED BY A COMBINATION OF SEVERAL FACTORS. 1. THE CONTINUING AND EXPANDING DROUGHT IN THE GRAZING COUNTRY 2. THE WHEAT COUNTRY NEEDING MOISTURE 3. FULL FEEDLOTS WITH NO ROOM TO PLACE THESE CALVES. TO ADD TO THIS THE CATTLE ON FEED REPORT OF OCTOBER 23RD SHOWED HEAVIER THAN PROJECTED PLACEMENTS WHICH IS THE 3RD STRAIGHT MONTH OF HEAVY PLACEMENTS. AS IT STANDS IT IS BECOMING INCREASINGLY HARD TO FIND INVESTORS TO BUY CATTLE AS MOST ARE BEGINNING TO HEAD TO THE SIDELINES TO WAIT AND SEE.

WRAPPING UP THE MONTH OF OCTOBER, WE ARE STILL FACING LARGE FEEDER CALF OFFERINGS ALONG WITH LARGER THAN NORMAL SLAUGHTER COW RUNS. OUR COMPUTER REPORTS SHOW THAT THE MARKET AVERAGES HAD DROP FROM \$12 TO \$18 SINCE LAST MONTH. WEATHER WILL ALSO CONTINUE TO PLAY A MAJOR FACTOR AS FEEDER BUYERS ARE ALREADY EXPERIENCING LARGER THAN NORMAL HEALTH PROBLEMS AND DEATH LOSSES. WITHOUT ANY RELIEF IN THE GRAZING COUNTRY OR SPACE IN THE FEEDLOTS THIS PRESSURE ON THE MARKET PRICES WILL REMAIN AND POSSIBLY BECOME WORSE.

NOTICE: THERE WILL NOT BE A SALE NOVEMBER 24TH DUE TO THE THANKSGIVING HOLIDAY

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