

# East Texas Livestock, Inc

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MONTH END MARKET REPORT

JANUARY, 2021

**\*THE FIGURES BELOW REPRESENT BOTH THE HIGH AND LOW MONTHLY AVERAGES\***

## SLAUGHTER COWS

CANNERS..... \$ 38.00 TO \$ 48.00

BONING/UTILITY..... \$ 45.33 TO \$ 57.00

CUTTERS..... \$ 53.67 TO \$ 63.33

SLAUGHTER BULLS..... \$ 75.67 TO \$ 87.33

## REPLACEMENT COWS

BRED COWS \$ 610.00 TO \$1300.00

COW/CALF PAIRS ..... NO TEST

## FEEDER CALVES

### FEEDER STEERS/BULLS. LARGE FRAME #1

200 TO 300 LBS....	\$1.55 TO \$2.21
300 TO 400 LBS....	\$1.38 TO \$2.00
400 TO 500 LBS....	\$1.33 TO \$1.81
500 TO 600 LBS....	\$1.23 TO \$1.63
600 TO 800 LBS....	\$1.15 TO \$1.40

### WEIGHT CLASS AVG.

1.71

1.59

1.52

1.37

1.20

### FEEDER HEIFERS LARGE FRAME #1

\$1.28 TO \$1.85

\$1.24 TO \$1.84

\$1.21 TO \$1.73

\$1.17 TO \$1.53

\$1.09 TO \$1.27

### WEIGHT CLASS AVG

1.33

1.40

1.35

1.27

1.15

## MONTHLY SUMMARY

OPTIMISM TOOK THE FRONT STAGE IN THE BEEF COMPLEX AS WE ENTERED 2021. THE ARRIVAL OF MASS COVID VACCINE PLUS MORE STIMULUS MONEY FROM THE NEW ADMINISTRATION PUSHED THE LIVE MARKETS UP TO \$1.13. MILD WINTER WEATHER HAS PROVED GOOD FOR EXCELLENT FEEDING AND GRAZING CONDITIONS. WITH THE BACKLOG OF FATS BEING CLEANED UP FROM LAST SPRING'S COVID REPERCUSSIONS IN THE PACKING HOUSE'S, WE ARE CURRENTLY CURRENT IN SUPPLIES OF MARKET READY FATS. OVERALL BEEF DEMAND CONTINUES TO BE STRONG BUT CHALLENGES TO THE FOOD SUPPLY CHAIN REMAINS. THE PANDEMIC, ACCORDING TO HEALTH EXPERTS COULD WELL GET WORSE IN THE NEXT SEVERAL MONTHS COULD AND AGAIN CRIPPLE THE RESTAURANT BUSINESS SECTOR. SOME 17% OF ALL RESTAURANTS HAVE CLOSED PERMANENTLY OR LONG TERM.

DROUGHT CONDITIONS CONTINUE TO AFFECT AROUND 41% OF THE U.S. TO SOME DEGREE. MOST OF THE WESTERN HALF OF THE U.S. CONTINUES IN FROM D1 TO D4 DROUGHT MONITOR AND COULD WELL HAVE A MAJOR IMPACT IN 2021 ON MARKET PRICES. CONTINUING HERD DOWNSIZING AND EVEN LIQUIDATIONS WILL EVENTUALLY IMPACT BOTH COW AND CALF PRICES.

CORN PRICES HAVE ALMOST DOUBLED IN JANUARY AS THE USDA RE-ADJUSTED THEIR YIELD FIGURES. CORN THAT WAS BRINGING \$3.40/BUSHEL IS CURRENTLY SELLING OVER \$5.00/BUSHEL. THE CORN EXPORTS TO CHINA HAVE INCREASED TO OVER 2.5 BILLION BUSHEL. HIGHER CORN PRICES ARE CREATING A PROBLEM TO THE FEEDERS AS THEY STRUGGLE WITH NEW FIGURES OF COST THAT THE FUTURES BOARD DOESN'T SUPPORT A PROFIT. THESE HIGHER FEEDING COST IS PUTTING PRESSURE ON THE FEEDERS, STOCKERS AND COW-CALF PRODUCERS.

AS OF THE END OF JANUARY THERE CONTINUES A STRONG BEEF DEMAND AND WITH TIGHTENING SUPPLIES CONTINUE TO CREATE OPTIMISM FOR THE CATTLE MARKETS IN 2021. THE CONTINUANCE OF A STRONG EXPORT MARKET PLUS DOMESTIC DEMAND, ALONG WITH EXCELLENT GRAZING AND FEEDING CONDITIONS GIVE FUEL TO STRONGER MARKET CONDITIONS. THE CATTLE ON FEED REPORT OF JAN. 23RD WAS CLASSIFIED AS BEARISH BECAUSE THE PLACEMENT FIGURE WAS 4% HIGHER THAN THE PRE-REPORT ESTIMATES. HOWEVER MOST MARKET ANALYST FEEL THERE WILL BE LITTLE REPERCUSSIONS DUE TO THE SOUND MARKET FUNDAMENTALS AND STRENGTH OF THE DEMAND.

CLOSER TO OUR CORNER, WE HAVE WITNESS UNUSUAL WEATHER PATTERNS DURING THE MONTH. FROM FREEZING TEMPERATURES AND 7" OF SNOW TO TEMPERATURES IN THE MID 60'S THE FOLLOWING WEEK. RAINS HAVE BEEN PLENTIFUL AND SUB-MOISTURE SHOULD BE GREAT AS WE APPROACH THE UPCOMING SPRING GRASSES. JANUARY'S ENDING FEEDER CALVE MARKET FIGURES FINISHED \$8 TO \$10 HIGHER OVER DECEMBER'S CLOSING MARKETS