

East Texas Livestock, Inc

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MONTH END MARKET REPORT

FEBRUARY, 2021

THE FIGURES BELOW REPRESENT BOTH THE HIGH AND LOW MONTHLY AVERAGES

SLAUGHTER COWS

CANNERS..... \$ 47.00 TO \$ 55.00
BONING/UTILITY..... \$ 56.00 TO \$ 64.00
CUTTERS..... \$ 65.00 TO \$ 71.00

SLAUGHTER BULLS..... \$ 83.00 TO \$ 97.00

REPLACEMENT COWS

BRED COWS \$ 540.00 TO \$ 1245.00

COW/CALF PAIRS NO TEST

FEEDER CALVES

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

200 TO 300 LBS.... \$1.55 TO \$2.07
300 TO 400 LBS.... \$1.39 TO \$1.83
400 TO 500 LBS.... \$1.35 TO \$1.68
500 TO 600 LBS.... \$1.27 TO \$1.56
600 TO 800 LBS.... \$1.16 TO \$1.43

WEIGHT CLASS AVG.

1.59
1.46
1.41
1.34
1.25

**FEEDER HEIFERS
LARGE FRAME #1**

\$1.28 TO \$1.90 1.32
\$1.22 TO \$1.71 1.29
\$1.20 TO \$1.55 1.27
\$1.18 TO \$1.43 1.21
\$1.10 TO \$1.32 1.12

WEIGHT CLASS AVG

MONTHLY SUMMARY

THE FRONT-END SUPPLY OF MARKET READY CATTLE CONTINUED TO REMAIN LARGE AS WE ENTERED FEBRUARY. WITH THE DECEMBER AND JANUARY MARKETING'S LOWER THAN EXPECTED, FEBRUARY WAS PRESENTED WITH THIS OVERSUPPLY BUT THE SEVERE WEATHER ACROSS THE COUNTRY DIDN'T ALLOW MUCH PROGRESS IN REDUCING THE NUMBERS. MANY ANALYSTS FEEL IT WILL BE IN MAY BEFORE WE CAN CLEAN UP THIS OVERSUPPLY. DEMAND OVERSEAS HOWEVER CONTINUED TO REMAIN STRONG AS THE US HAS SURPASSED AUSTRALIA AS THE LARGEST SUPPLIER OF GRAIN FED BEEF TO CHINA. BEEF EXPORTS TO THE OTHER PACIFIC RIM COUNTRIES ALSO CONTINUED TO SET RECORDS.

SEVERE WEATHER MID-MONTH IMPACTED THE LIVESTOCK SECTOR AND CAUSED MAJOR DISRUPTIONS FROM FEEDLOT MOVEMENT TO RETAIL MARKET DISTRIBUTION AND RESTAURANT SALES. WEIGHT GAINS BECAME ZERO AS SLAUGHTER CALVES WERE 40 LBS AVERAGE LIGHTER DUE TO THE SNOWY AND ICY CONDITIONS. PACKERS SEIZED THE OPPORTUNITY OF SLAUGHTERING FEWER ANIMALS AND RESULTED IN PROFIT MARGINS UP TO OVER \$390.00/HEAD. BOTH CATTLE PERFORMANCE AND MARKETING PLANS CONTINUED TO BE DISRUPTED DUE TO THE WEATHER. HIGHER CORN COST AND HAVING TO FEED CATTLE LONGER DUE TO THE WEATHER WILL HAVE A MAJOR IMPACT OF THE PRICES AND COULD WELL TURN PROFITS INTO LOSSES.

THE IMPACT OF COVID IS STILL BEING FELT IN THE FOODSERVICE INDUSTRY. SALES FELL BY \$240 BILLION LAST YEAR AND BY THE FIRST OF 2021, MORE THAN 110,000 EATING AND DRINKING PLACES WERE CLOSED. THIS AMOUNTS TO ABOUT 2.5 MILLION LAST JOBS. DATA SHOWS MOST HAD BEEN IN BUSINESS AN AVERAGE OF 16 YEARS AND EMPLOYED AN AVERAGE OF 32 PEOPLE. SURVEYING THE CLOSED BUSINESSES 72% SAID THEY WERE CLOSED FOR GOOD. THE RESTAURANT AND FOODSERVICE WAS HAD RESPONSIBLE FOR ABOUT 10% OF ALL PAYROLL JOBS IN THE US. COVID CONTINUES TO PRODUCE "NEW NORMS" FOR THE AMERICAN WAY OF LIFE AND STILL YET WILL AS WE MOVE INTO THE FUTURE. FAMILIES WILL CONTINUE TO FAVOR "TAKE OUT" MEALS AND HOME PREPARED ONES INSTEAD OF EATING OUT.

THE USDA RELEASED IT 2021 NATIONAL CATTLE AND CALVES INVENTORY. BEEF COWS WERE DOWN 1% WHICH IS A RESULT OF THE CONTINUING DROUGHT OUT WEST. MANY ANALYSTS FEEL THIS IS A GROSS UNDERESTIMATE BUT SHOULD HELP STRONGER FEEDER CALF PRICES THIS YEAR. (RESEARCH SHOWS THE AVERAGE BEEF COW HERD WAS 43.5 HEAD NATIONWIDE AND OPERATIONS WITH 100 OR MORE ONLY COMPOSED 9.9% OF ALL BEEF OPERATIONS)

WRAPPING UP FEBRUARY, WE HAVE WITNESSED THE COLDEST TEMPERATURES IN 91 YEARS. SNOW, ICE AND FREEZING TEMPERATURES WREAKED HAVOC ON ALL ASPECTS OF THE BEEF INDUSTRY. ROLLING BLACKOUTS ALONG WITH FROZEN TO NO WATER HAS TAKEN A TOLL ON THE NATION'S AGRICULTURE SECTION. AS OF THE MONTH'S END HOWEVER WE ARE WITNESSING GOOD WEATHER. AUCTION SALES ARE ONCE AGAIN IN PRODUCTION AS WE HEAD INTO MARCH. THE MARKET DEMAND IS GOOD AS WE GET BACK TO ROLLING!