

East Texas Livestock, Inc

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MONTH END MARKET REPORT

APRIL, 2021

THE FIGURES BELOW REPRESENT BOTH THE HIGH AND LOW MONTHLY AVERAGES

SLAUGHTER COWS

CANNERS..... \$ 52.50 TO \$ 59.75
BONING/UTILITY..... \$ 60.75 TO \$ 66.25
CUTTERS..... \$ 67.25 TO \$ 73.75

SLAUGHTER BULLS..... \$ 79.25 TO \$ 98.00

BRED COWS \$ 560.00 TO \$ 1350.00

REPLACEMENT COWS

COW/CALF PAIRS \$800.00 TO \$1775.00

FEEDER CALVES

FEEDER STEERS/BULLS LARGE FRAME #1

200 TO 300 LBS.... \$1.62 TO \$1.97
300 TO 400 LBS.... \$1.49 TO \$1.90
400 TO 500 LBS.... \$1.41 TO \$1.81
500 TO 600 LBS.... \$1.35 TO \$1.59
600 TO 800 LBS.... \$1.28 TO \$1.50

WEIGHT CLASS AVG.

1.60
1.59
1.51
1.39
1.28

FEEDER HEIFERS LARGE FRAME #1

\$1.40 TO \$1.80
\$1.34 TO \$1.74
\$1.22 TO \$1.60
\$1.17 TO \$1.43
\$1.09 TO \$1.28

WEIGHT CLASS AVG

1.44
1.40
1.32
1.28
1.19

MONTHLY SUMMARY

APRIL STARTED WITH LIVE CATTLE BRINGING IN THE \$1.15 AREA AS DEMAND STILL REMAINED GOOD FOR BEEF AND BEEF PRODUCTS. THE PANDEMIC BROUGHT OUT MORE HOME COOKED MEALS WITH MEAT BECAUSE OF CONVINCE AND VARIETY. THE NATIONAL MOBILIZATION OF COVID 19 VACCINATIONS HAS HELPED JUMP START THE PUBLIC BACK INTO DINING OUT AND WITH THE US GOVERNMENT'S DEDICATION OF STIMULUS MONEY, THE CONSUMER HAD EXTRA INCOME FOR THEIR CHOICE OF PROTEIN WHICH WAS BEEF.

APRIL ALSO WITNESSED FARMERS MOVING THEIR GRAZING CATTLE OFF THE WHEAT FIELDS PREMATURELY AS THEIR GRAIN PRODUCT BECAME MORE VALUABLE. THIS HUGE INFLUX OF GRAZING CALVES RESULTED IN THE FEEDLOTS FILLING UP SEVERAL MONTHS BEFORE THE NORMAL PATTERN. EVEN WITH A GOOD MEAT DEMAND, THE PACKERS WERE HAVING LABOR PROBLEMS MAINTAINING HELP FOR PROCESSING. FREE STIMULUS MONEY HAS MADE IT DIFFICULT TO SECURE ADDITIONAL WORKERS. THE MARCH PLACEMENT FIGURES ON THE FRIDAY, APRIL 23RD CATTLE ON FEED REPORT WAS A WHOPPING 128% OVER LAST YEAR'S MARCH! WITH ANTICIPATION OF THIS HUGE WAVE, THE COMMODITY TRADERS TOOK THE BOARD DOWN HARD BUT WITH LAST YEAR'S COVID PANDEMIC IN FULL BLOOM, THE TRADERS ARE NOW DISCOUNTING THIS BEARISH REPORT WITH THAT IN MIND. BEEF DEMAND REMAINS STRONG ENOUGH TO OFFSET MUCH OF ANY NEGATIVE NEWS.

BY MID-MONTH THE HOT AND DRY CONDITIONS CONTINUED TO EXPAND THROUGHOUT THE SOUTHWEST. THE LATEST WEATHER FORECAST ARE LESS FAVORABLE FOR PASTURE CONDITIONS THROUGHOUT MUCH OF THE US FOR THE REMAINDER OF THE YEAR. WITH THE "WET SEASON" WINDING DOWN EXTREME DROUGHT CONDITIONS CONTINUE TO WORSEN. BY THE END OF APRIL 55% OF THE US WAS ABNORMALLY DRY, 38% MODERATE DRY AND 26% IN SEVERE DROUGHT. COMPUTER ENHANCED FORECAST ARE PREDICTING THE SOUTHWEST WILL ONLY RECEIVE 70% OF THE NORMAL RAINFALL. MUCH OF THIS AREA IS CRUCIAL TO THE SUMMER GRAZING PROGRAMS AND CAN WELL AFFECT SUMMER AND FALL CALF PRICES. ANOTHER NEGATIVE IS THE CORN PLANTING AND GROWTH. EARLY CROP REPORTS ARE SHOWING THAT EXPECTATIONS HAVE BEEN LOWERED BY 150 MILLION BUSHEL. (AS OF THIS REPORT EARLY PLANTING REPORTS SHOW 2 MILLION LESS ACRES BEING PLANTED). CHINA HAS CONTINUED TO BUY UP MUCH OF OUR CORN FORCING HIGHER PRICES (OVER \$6/BUSHEL) FOR THE FEEDING SECTOR. THE FEEDERS ARE HAVING TO WRESTLE WITH HIGHER CALF PRICES AND HIGHER GAIN COST. PROJECTIONS BY INDUSTRY ANALYSTS ARE THE COW/CALF PRODUCER WILL AVERAGE PROFIT \$125.00/HD PROFIT MARGINS FOR FEEDLOTS AT \$225.00/HD. THE PACKERS GET THE LIONS SHARE AT \$304.00/HD! AS NOTED EARLIER, CHINA ALONG WITH JAPAN, MEXICO AND CANADA CONTINUE TO KEEP OF BEEF EXPORT MARKET STRONG WITH INDICATIONS THIS YEAR IS WELL ON TRACK FOR THE BEST EXPORT YEAR EVER.

ROUNDING OUT THE MONTH, WE CONTINUE TO SEE A STRONG DEMAND FOR OUR FEEDER CALVES. THE "NEW CROP" CALVES MADE THEIR APPEARANCE THIS MONTH AS THE TRANSITION FROM THE OLD CROP TO THE NEW CROP IS HERE. SPRING GRASSES ALONG WITH GOOD WEATHER CONTINUE TO FAVOR CALF GROWTH AND WITH THE COVID VACCINATIONS WE SHOULD SEE MORE NORMALCY IN THE BEEF DEMAND MARKET.