East Texas Livestock, Inc
893 State Highway 7 West
Crockett,Texas 75835
936-544-2246
Www.easttexaslivestock.com

MONTH END MARKET REPORT
JULY, 2021

THE FIGURES BELOW REPRESENT BOTH THE HIGH AND LOW MONTHLY AVERAGES

SLAUGHTER COWS

CANNERS...................... $ 55.75 TO $ 63.25
BONING/UTILITY........... $ 64.25 TO $ 69.75
CUTTERS...................... $ 70.75 TO $ 76.75

SLAUGHTER BULLS..... $ 85.00 TO $97.25

REPLACEMENT COWS

BRED COWS $ 640.00 TO $1500.00

COW/CALF PAIRS ..... $780.00 TO $1675.00

FEEDER CALVES

FEEDER STEERS/BULLS. LARGE FRAME #1

WEIGHT CLASS	AVG.	
200 TO 300 LBS....	$1.73 TO $2.10	1.67
300 TO 400 LBS....	$1.75 TO $2.04	1.63
400 TO 500 LBS....	$1.60 TO $1.87	1.58
500 TO 600 LBS....	$1.40 TO $1.69	1.49
600 TO 800 LBS....	$1.26 TO $1.60	1.43

FEEDER HEIFERS LARGE FRAME #1

WEIGHT CLASS AVG	
$1.51 TO $1.88	1.40
$1.42 TO $1.86	1.41
$1.36 TO $1.65	1.40
$1.29 TO $1.56	1.40
$1.18 TO $1.48	1.32

MONTHLY SUMMARY

BEEF DEMAND CONTINUED STRONG AS WE STARTED THE MONTH WITH THE JULY 4TH HOLIDAYS SALES WELL RECEIVED BY THE RETAILERS. OUR EXPORT MARKETS ALSO CONTINUED TO SET RECORDS AS BOTH CHINA AND S. KOREA LED THE US BEEF DEMAND PACK.

THE MAJOR NEGATIVE FACTORS POISED TO AFFECT FEEDER PRICES IN FUTURE MONTHS ALSO CONTINUED THROUGHOUT JULY. THE FEEDER MARKET WAS SHOOK UP AS THE USDA CORN CROP REPORT SHOWED OVER 1M LESS ACREAGE PLANTED THAN PREVIOUS REPORTS STATED. ALONG WITH THIS SMALLER PLANTED ACREAGE, DROUGHT CONTINUED TO HOVER THE WESTERN PART OF THE CORN BELT JEOPARDIZING ESTIMATES OF OVER 30% OF THIS YEARS CORN PRODUCTION. ALTHOUGH PARTS OF THIS AREA RECEIVED SOME RAINFALL TOWARDS THE LATTER END OF JULY, IT BY FAR ISN'T ENOUGH TO COMPLETE THIS YEARS CROP NOR PUSH THE YIELDS CLOSE TO WHAT IS NEEDED. CORN PRICES ARE AT THEIR HIGHEST LEVEL SINCE MID-YEAR 2013 AND SHOULD REMAIN SO IF NOT HIGHER BEFORE THE NEW CROP IS READY TO HARVEST. GRAIN PRICES WILL CONTINUE TO DOMINATE THE FEEDER DEMAND AS HIGHER PRICES AT SOME POINT WILL FORCE SOME POTENTIAL PLAYERS TO THE SIDELINES.

THE OTHER MAJOR FACTOR AFFECTING FEEDER PRICES IS THE HUGE AND WORSENING DROUGHT IN THE WESTERN US. WASHINGTON,IDAHO, MONTANA AND WYOMING CONTINUE TO WITNESS MASSIVE DEGRADATION AS NO RELIEF IS FORESEEABLE . BOTH NORTH AND S DAKOTA ALSO CONTINUE TO SUFFER FROM LACK OF RAINFALL. AS OF THIS REPORT THE US DROUGHT INDEX SHOWS 59.5% OF THE WESTERN US IS IN FROM EXTREME TO EXCEPTIONAL DROUGHT CONDITIONS. NATIONWIDE OVER 38% OF THE TOTAL CATTLE INVENTORY IS WITNESSING SOME FORM OF DROUGHT.

BEEF COW SLAUGHTER RATES DUE TO THE DROUGHT CONDITIONS HAVE INCREASED THIS YEAR AND HAVE NOW OUTPACED HEIFER RETENTION RATES. WE ARE EXPERIENCING THE HIGHEST COW SLAUGHTER SINCE 2011. WITHOUT ANY MAJOR WEATHER CHANGE, LACK OF FORAGE AND HAY WILL PUSH THIS LIQUIDATION DEEPER. BY THE LAST OF THIS MONTH HOWEVER, PARTS OF THE GRAZING COUNTRY DID GET MOISTURE AND HELP PROVIDE BETTER GRAZING CONDITIONS. THE DEMAND FOR FEEDERS DID STRENGTHENED AND PRICES RESPONDED HIGHER. THIS HAS ALSO ALLOWED THE GRAZING CATTLE TO REMAIN LONGER AND ADDING WEIGHT WHICH OTHERWISE WOULD HAVE TO FACE THE EXPENSIVE GRAIN GAIN IN FEEDLOTS. THE USDA CATTLE ON FEED REPORT OF FRIDAY, JULY 23 WAS LABELED AS NEUTRAL AS PLACEMENTS ENDED AT 93% AGAINST MARKETING'S OF 103%.

FROM OUR CORNER, WE HAVE SEEN FEEDER CALF PRICE AVERAGES INCREASE FROM $10 TO $15 CWT THE PAST 2 WEEKS. THE SLAUGHTER FIGURES HAVE ADJUSTED $3 TO $5 BACK AS PRICE PRESSURE CONTINUES FROM THE HUGE AMOUNTS OF DROUGHT DRIVEN INVENTORY COWS. PASTURE CONDITIONS REMAIN EXCEPTIONALLY GOOD AND HAY PRODUCTION IS IN FULL SWING. WE FEEL THAT PRICES COULD REMAIN RELATIVELY STRONG AS THE AVAILABILITY OF FEEDER CALF INVENTORY WILL BE PROVIDED FROM THIS PART OF THE US. THERE COULD WELL BE A LACK OF FEEDER CALVES FOR PURCHASING THIS FALL DUE TO THE DROUGHT TAKING OUT BOTH COWS AND CALVES.

PAUL CRAYCRAFT.
936-545-5251.

CASE CRAYCRAFT
936-545-5045