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February, 2022 Month End Market Report

The Figures Below Represent Both The High and Low Monthly Averages

Slaughter Cows

Canners...................... $ 58.00 to $ 76.50
Boning/Utility...........$ 77.50 to $ 83.75
Cutters........................ $ 84.75 to $ 92.50

Slaughter Bulls..... $ 84.75 to $111.75

Replacement Cows

Bred Cows $ 575.00 to $1750.00

Cow/Calf Pairs ..... $825.00 to $1800.00

Feeder Calves

Feeder Steers/Bulls. Large Frame #1		Wt class avg	Feeder Heifers Large Frame #1	Wt class avg
200 to 300 lbs....	$1.42 to $2.20	1.66	$1.37 to $1.93	1.43
300 to 400 lbs....	$1.36 to $2.19	1.71	$1.24 to $1.87	1.53
400 to 500 lbs....	$1.29 to $1.99	1.63	$1.16 to $1.77	1.49
500 to 600 lbs....	$1.23 to $1.85	1.53	$1.12 to $1.63	1.34
600 to 800 lbs....	$1.17 to $1.60	1.41	$1.07 to $1.49	1.23

Monthly Summary

February started with live(fat) cattle in the $1.38 to $1.42 range. Beef demand continued strong throughout the month not only in the US but our overseas markets exploded with demand. China's demand alone soared over 96% and the US beef exports surpassed the 2020 demand and surpassed over $10 billion for the first time in history.

Optimism continues strong for higher feeder calf markets throughout this year and for the next several years. Widespread drought in 2021 has well continued in this year and is resulting in a pronounced cow herd liquidation. Market analysts totally underestimated the % of the beef cows being slaughtered and when the national inventory figures were released it showed a 2% or 2 million less beef cows in the US. Simply stating there will be far fewer feeder calves marketed in 2022 and will a stronger demand should raise calf prices. The numbers reflect the declining cow herd for the 3rd straight year with prospects showing a possible 4th year. There was a 10% increase in cow slaughter in 2021 mostly due to the drought out West. As of February, 61% of the entire US continues in drought from moderate to severe with Texas and Oklahoma also losing more areas to drought. The inter mountain West and Southwest continue to lead the most drought affected areas. Liquidation continues with little prospects of receiving moisture. The 2022 cow herd is the smallest since 2015.

The industry analysts continue to feel that the cow/calf producers time is now. Less inventory will produce less available feeder calves and coupled with a strong demand, prices will be stronger. Some feel that this could well produce a average 550 lb steer bringing over $2.00/pound this year. Our ending February average figures showed to be $6 to $10 cwt over those of January and the slaughter figures were well over January. Currently the market trend is supporting that direction. In a positive mention, as the national cow herd moves over into a rebuilding mode, many feeder heifers will remain off the market for breeding purposes leaving less available feeder calves to market. Simple economics tell us less supply with strong demand creates a higher market.

There is always some negatives to offset positives. Inflation is currently the highest since 1982 with the possibility of moving higher. The current expanding drought is well into the Western part of the corn belt which could produce less corn being planted along with less available grazing areas. Unrest over seas as Russia has attacked the Ukraine has and will affect oil prices. These plus raising interest rates can all have a effect on the future markets.

Moving closer to our neck of the woods, the cold weather has been consistently rough on our cows. Hay along with protein supplements has increased but the feeder calf figures have been higher too. The volume being marketed is consistent with last year but as stated, the market is substantially higher. Spring weather should be right around the corner. Lets hope so!

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