

East Texas Livestock, Inc

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February, 2023 Monthly Market Report

Slaughter Cows

Canners.....\$76.00 to \$85.50

Boning/Utility..... \$86.50 to \$93.00

Cutters..... \$94.00 to \$101.25

Bred Cows....\$510.00 to \$1,550.00/head

Slaughter Bulls \$91.50 to \$117.75

Cow/Calf Pairs.....\$800.00 to \$1,750.00

Feeder Calves

Feeder Steers/Bulls

Large Frame #1

(avg prices)

200 to 300 lbs.....\$1.58 to \$2.51

1.97

300 to 400 lbs.....\$1.56 to \$2.49

2.08

400 to 500 lbs.....\$1.49 to \$2.41

2.04

500 to 600 lbs.....\$1.43 to \$2.29

1.89

600 to 800 lbs.....\$1.37 to \$2.02

1.71

Feeder Heifers

Large Frame #1

(avg prices)

\$1.45 to \$2.24

\$1.73

\$1.36 to \$2.25

\$1.83

\$1.25 to \$2.19

\$1.80

\$1.18 to \$2.05

\$1.72

\$1.14 to \$1.71

\$1.54

Summary

February turned out to be all that the market analysts had promised. Live cattle started in the \$1.55 range with solid backing and demand by the packers. The fed cattle supplies were already tight due to the lower placement the past several months. The annual cattle inventory confirmed the ever-shrinking beef cow herd producing a smaller pool of feeder cattle available now and in the coming years. Due to the length of the drought driven liquidation, the prospects of smaller calf crops are in line for the next several years.

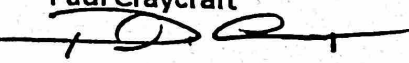
Beef demand continues to remain strong and recent studies have uncovered the pandemic forced more consumers to cook at home and it has become a mainstay both stretching the dollar and fighting inflation. By mid-month live cattle moved into the \$1.60 range. Warmer weather along with the declining supplies of market-ready cattle along with lower marketing weights are pushing the beef complex towards a springtime rally. From all the positive fundamentals it appears the dominoes are lined up for stronger feeder demand and higher prices.

The USDA annual beef cow inventory once again was actually proof more beef cows went to slaughter than first thought. The drought over the past 4 years has led the beef cow inventory to the smallest herd since 1952. Last year alone we witnessed over 13% of the nation's beef herd go to slaughter which ended the highest percentage since 1984. The USDA cattle on feed report of February was classified as neutral to slightly friendly.

Winter weather up North has continued to be unpredictable. Rains have hit much of the northern and Midwest grazing areas which have been dry but frigid cold fronts have also shown up that have inhibited feeder performance. Even with these negative setbacks the fundamentals are totally lined up for a stronger and bullish outlook for the next several years. The "black Swain" on the negative side could well be beef prices becoming too high forcing the housewife to pass to cheaper proteins. Strategic market planning by the market gurus will be keeping close tabs on avoiding this scenario.

Closer to home both the feeder and slaughter prices have been unbelievable. Market demand has been bullish and strong buyer interest has been absent in the past several years. Let's hope the dominoes continue to fall in line.

Paul Craycraft



Case Craycraft

