East Texas Livestock, Inc

893 State Highway 7 West
Crockett, Texas 75835
936-544-2246
www.easttexaslivestock.com

October 2023 Monthly Market Report

Slaughter Cows
- Canners................$. 71.00 to $ 81.60
- Boning/Utility.........$ 82.60 to $ 90.40
- Cutters................. $ 91.40 to $100.06

Slaughter Bulls.........$ 86.60 to $1.24

Bred Cows...........$710.00 to $1,775.00 /head

Cow/Calf Pairs.......$ 910.00 to $1,850.00

Feeder Calves

Feeder Steers/Bulls Large Frame #1	(avg prices)	Feeder Heifers Large Frame #1	(avg. prices)
200 to 300 lbs.......$2.24 to $3.27	$ 2.49	$2.07 to $3.09	$ 2.14
300 to 400 lbs...... $2.17 to $3.18	$ 2.51	$1.89 to $3.10	$ 2.23
400 to 500 lbs...... $2.12 to $3.02	$ 2.37	$1.82 to $2.85	$ 2.19
500 to 600 lbs...... $2.06 to $2.65	$ 2.21	$1.75 to $2.47	$ 2.00
600 to 800 lbs...... $2.02 to $2.43	$ 2.06	$1.45 to $2.32	$ 1.92

Month End Summary

October witnessed a variety of changes in the beef complex. The recent heat waves had already shortened the numbers of harvest ready cattle that normally would have appeared in October. The heat had continued to move the normal October placements into September, but analysts felt the numbers would fall way short of last year. The USDA cattle on feed report of October 20 blew all these lighter placement projections out of the water. After months of lower placements and most pre-report figures guestimates in the mid 90s, the actual placement figure was much higher as it was the second highest Oct. 1 inventory since the series began in 1996. The futures board reacted the following Monday (Oct.23) and cratered with all livestock futures contracts posting the largest one-day losses in recent years. Board traders cleared contracts and headed to the hills.

The US beef exports continued to slow down in October and down 21% compared to a year ago. The imports of beef however showed the largest monthly totals since January. The drought and a pool of economic drivers continues to give proof there is no sign of heifer retention or herd expansion. Higher feed cost and lack of winter feed continue to keep the producer from any noticeable retention. Also, the negatives facing the producer is the price index is 3.7% higher from last year with energy and interest rates continuing to rise.

There continues to be a sharp decline in inventory this year as our cow slaughter continues at a accelerated pace. The beef cow inventory started this year with jus 28.9 million beef cows which is the lowest since 1962. Estimates of another 3-4% lower is targeted as drought; lack of winter feed and stressed pastures will continue to lower our base herd. As it stands, it will take several years of both pasture and market recovery before any signs of herd rebuilding to take place. Lack of land, labor and equipment repair cost and more regulations also add to hesitation of expansion.

The Mid-East conflict, rising interest rates and total uncertainty continue to show the signs of a "black swan" we have been unaware of. Beef demand however continues to be resilient but the continuing rise in beef prices places the market under pressure. Consumers are being forced to turn to alternative proteins like cheaper pork and chicken.

Closing out the month, recent heavy rains have covered the grazing country. Unstocked grazing areas are now positioned to favor bullishness in the market demand. Those grazing areas that recently were emptied due to drought along with fresh planted wheat should create a strong demand on a lesser available pool offering of feeder calves. Let's hope this happens!