

East Texas Livestock, Inc

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January 2024 Monthly Market Report

Slaughter Cows

Canners.....\$ 80.00 to \$ 86.33
 Boning/Utility.....\$ 87.00 to \$ 94.33
 Cutters.....\$ 95.00 to \$109.00

Slaughter Bulls.....\$1.03 to \$1.27

Bred Cows.....\$760.00 to \$2,075.00 /head

Cow/Calf Pairs.....\$ 1100.00 to \$2,000.00

Feeder Calves

Feeder Steers/Bulls Large Frame #1

(avg prices)

200 to 300 lbs.....\$3.45 to \$3.81
 300 to 400 lbs.....\$3.38 to \$3.75
 400 to 500 lbs.....\$3.75 to \$3.48
 500 to 600 lbs.....\$1.95 to \$3.17
 600 to 800 lbs.....\$1.78 to \$2.77

\$ 3.03
 \$ 3.04
 \$ 2.81
 \$ 2.24
 \$ 2.45

Feeder Heifers Large Frame #1

(avg. prices)

\$2.18 to \$3.64
 \$2.24 to \$3.62
 \$1.93 to \$3.14
 \$1.82 to \$2.77
 \$1.71 to \$2.50

\$ 2.77
 \$ 2.74
 \$ 2.54
 \$ 2.26
 \$ 2.18.

Month End Summary

Every new year provides both opportunities and setbacks. From what we have witnessed so far in January, this year is shaping up to be a banner year for the producer with higher prices that have ever been witnessed for our feeder calves. The market fundamentals are solid and aligned with the support of a national smaller beef cow and increased market demand both domestically and overseas. The control has moved out of the packers and feedlot's hands and rest firmly in the producer's hand. A scenario we haven't seen since 2012.

January opened with the markets feeling their way into the uncertainty of what the new year will bring. The world being unbalanced with the Gaza conflict along with the ongoing Ukraine war and continuing threats of Russia's unleashing their nuclear arsenal, have warranted our attention but has had no effect on the current markets. The packer's profit margins continue to shrink and for the first time in years have lost their control over the market. Attempts to cut back on weekly kills in a attempt to regain leverage have failed so far as the demand has overrun the supply. Both pork and chicken continue to be in abundant supply and no doubt a cheaper protein source, but meat continues to be the choice of the American consumer.

Cold, arctic fronts moved through the feedlot and wheat grazing country mid-January slowing gains and making it difficult for meat movement. As we end the month, it appears the bullishness of the markets continues to show unbelievable resilience. This is a producers dream and from the figures being presented show remain strong for the next several years. The January national beef cow herd inventory shows we have continued to liquidate in 2023. Heifer retention has yet to start and probably won't for the next several years. At some point when it starts the market should even become higher as available feeder cattle will be smaller due to less heifers moving into the feeder market. This again is the same scenario we witness back in 2013-2015 only with much higher figures.

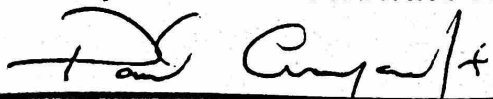
The weekly figures combined show the highest month's averages we have seen. Both feeder calves and slaughter cow prices are riding the crest of a high dollar wave with so far no Black Swan in the making. We recently compared averages from 2022 to 2023. Interesting what we found in the comparisons:

TOTAL NUMBERS ... + 18%

COWS..... + 24% (most to slaughter)

January closed out with the strongest feeder figures we have ever witnessed. It appears we have finally reached the market levels we had been assured of with the chances of even getting higher.

NOTE; WE WILL BE STARTING THE REGULAR TUESDAY SALES AT 11:00 AM FROM NOW ON



Dan Croycraft