

East Texas Livestock, Inc
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July, 2024 Monthly Market Report

Slaughter Cows

Canners.....\$ 1.26 to \$ 1.40
 Boning/Utility.....\$ 1.41 to \$ 1.48
 Cutters.....\$ 1.49 to \$ 1.56

Slaughter Bulls.....\$1.66 to \$1.93

Bred Cows.....\$1550.00 to \$2,600.00 /head

Cow/Calf Pairs.....\$ 1850.00 to \$3,250.00

Feeder Calves

Feeder Steers/Bulls		Feeder Heifers	
Large Frame #1	(avg prices)	Large Frame #1	(avg. prices)
200 to 300 lbs.....	\$3.46 to \$4.19	\$ 3.44	\$3.19 to \$3.64
300 to 400 lbs.....	\$3.39 to \$4.10	\$ 3.31	\$2.99 to \$3.51
400 to 500 lbs.....	\$2.90 to \$3.48	\$ 2.99	\$2.67 to \$3.23
500 to 600 lbs.....	\$2.57 to \$3.20	\$ 2.67	\$2.22 to \$2.86
600 to 800 lbs.....	\$2.24 to \$2.84	\$ 2.55	\$2.10 to \$2.73
			\$ 2.99
			\$ 2.95
			\$ 2.74
			\$ 2.52
			\$ 2.38

Month End Summary

As of the 1st of July, the packers entered the month with extremely small inventories causing the packers to enter the July 4th week with extremely small inventories as they resisted paying higher feeder prices and hoping to make only purchases derived from steady prices. Months of lower placement cattle had finally backed the packers into a corner. The available pool of replacement cattle was causing the feedlots to struggle in securing their necessary inventory. As it stood, the large corporate lots were experiencing more unused pens, and the smaller lots were in a worst scenario.

Beef demand typically moderates late in the summer which normally creates a softness in the beef complex and trending lower prices. Packers continued to slow the processing volume to create higher pricing, but the leverage continues to stay in the feeder's control of the markets. As of the end of July, the beef movement is still in question. The heat wave in some parts along with severe weather in other parts of the country could be the "black swain" but the momentum appears way too strong to offset this bullish trend. Retail beef sales however have begun to show some mixed signals as the consumer is beginning to show some caution as the summer heat typically affects their eating habits.

Beef exports continued to rise during July proving out to be the best month since June of 2023. Japan, Taiwan and Mexico have pushed the beef export market close to \$1 billion. China and Hong Kong however have reduced their beef imports by some 16% but the Middle East demand has shown a 19% increase in demand.

By the end of July, the packers remain short-bought and continue to remain in a precarious position without sufficient inventory hoping to regain the upper hand. Some plants are using a 4-day work week to let inventory to build up. The packers' short bought needs can well backfire because hoping the next batch of cattle will be lower might not happen. Hope and reality are two different beasts.

Cattle numbers continue to tighten as the slaughter figures are drawing border line beef cows to the market. Retainage of heifers for the producers has yet to happen. The ratio of heifers filtering into the feedlots have shown no sign of any retention. This current cycle the beef industry is in could well last longer with high prices. Any retention and herd buildup could well be much slower than any previous cycle.

Some market comparisons from our research with last year (July 2023) show the figures about 33% to 38% higher. This equates from \$260.00 to \$300.00 per head more. Market analyst predicted this bullish market is going to continue moving into August.

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