

August Beef Exports Were Up By 30.2 Percent



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Last week Congress approved the three free trade agreements (South Korea, Colombia and Panama) submitted by the President last week. The greatest potential for the U.S. livestock industry comes from the South Korean trade pact. South Korea is one of the top four foreign buyers of both U.S. pork and beef. We are currently supplying a little less than 40 percent of South Korea's pork and beef imports. That will not change overnight as the agreement calls for a 10 year phase out of South Korea's pork tariffs and a 15 year phase out of their beef tariffs.

U.S. beef exports during August were up 30.2 percent compared to 12 months earlier. Exports equaled 11 percent of production. Through August, beef exports are up 27.3 percent compared to a year earlier. Canada, South Korea and Japan account for 68 percent of the year's increased exports. All major foreign buyers are up for the year except for Vietnam and Taiwan. Exports are on pace to break the 2003 record.

U.S. beef imports were down 9.4 percent in August. August imports equaled 7.9 percent of U.S. beef production. For the first 8 months of the year, beef imports are down 15.7 percent and are on pace to be the lowest since 1996.

Through August cattle imports from Canada are down 40 percent, but cattle imports from Mexico are up nearly 30 percent.

Friday morning the choice boxed beef carcass cutout value was \$185.27/cwt, up 35 cents from last week. The select carcass cutout was down \$1.40 from the previous Friday to \$168.56 per hundred pounds of carcass weight. The choice-select spread, \$16.71, is the largest since December 2007.

The 5-area average price for slaughter steers sold through Thursday of this week on a live weight basis was \$119.00/cwt, down \$1.97 from last week. Steers sold on a dressed weight basis averaged \$187.78/cwt, \$2.12 lower than the week before. This week last year live steer prices averaged \$96.41/cwt and dressed steers averaged \$152.17/cwt.

This week's cattle slaughter totaled 650,000 head, down 2.4 percent from the week before and down 1.8 percent compared to the same week last year. The average steer dressed weight for the week ending October 1 was 855 pounds, unchanged from the week before and up 1 pound from a year ago.

Cash bids for feeder cattle around the country this week were mostly between steady and \$4 higher. Prices this week at Oklahoma City were steady with price ranges for medium and large frame #1 steers: 400-450# \$146.50-\$156, 450-500# \$141.50-\$155, 500-550# \$138-\$148.50, 550-600# \$134-\$146.25, 600-650# \$125-\$145, 650-700# \$125-\$141.75, 700-750# \$138-\$144.50, 750-800# \$132-\$139, 800-900# \$138 and 900-1000# \$116.75-\$125.

The October live cattle futures contract ended the week at \$121.65/cwt, down 32 cents from last week's close. December cattle gained \$1.35 to end the week at \$123.20/cwt. February fed cattle settled at \$125.37/cwt, up \$2.17 from last Friday. Δ

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