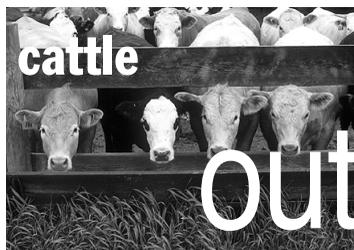


Beef Exports Are On A Roll



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US. beef exports during October were up 10.7 percent compared to a year ago and beef imports were down 4.4 percent. During the month, we exported 70 million pounds more beef than we imported. October was the 14th consecutive month that U.S. beef exports exceeded imports.

For the first 10 months of 2011, beef exports are up by 25.4 percent and beef imports are down 13.2 percent. We are on a pace to export 2.8 billion pounds of beef this year, well above the 2.518 billion pound record set in 2003. Through October, U.S. beef exports are up by 473 million pounds with shipments to Canada and South Korea both up by a bit over 100 million pounds. Beef shipments to Japan are up 91 million pounds and exports to Russia are up 61 million pounds compared to January-October 2010.

Beef imports during the first 10 months of the year are down 266 million pounds with a decline of 167 million pounds from Canada and a 131 million pound drop in imports of Australian beef. U.S. beef imports this year are expected to be the lowest since 1996. Thus far this year, 10.6 percent of 2011 U.S. beef production has been exported while beef imports equal 8.0 percent of production.

Cattle imports from Canada were down 19.8 percent during October; imports from Mexico were down 15.7 percent.

Fed cattle prices dropped this week. The 5-area average price for slaughter steers sold through Thursday of this week on a live weight basis was \$118.82/cwt, down \$3.46 from last week, but \$19.64/cwt above the same week last year. Steers sold on a dressed weight basis averaged \$194.04/cwt, \$2.75 lower than the week before and \$34.85 above a year ago.

Beef cutout value rebounded this week.

On Friday morning, the choice boxed beef carcass cutout value was \$190.32/cwt, up \$5.40 from last week. The select carcass cutout was up \$3.00 from the previous Friday to \$173.13 per hundred pounds of carcass weight. The choice-select spread, \$17.18, was up \$2.38 from a week earlier. The cutout value of choice steers is \$3.72/cwt below the dressed weight cattle price. The last two weeks the choice cutout has been more than \$10/cwt below the dressed cattle price.

This week's cattle slaughter totaled 642,000 head, down 1.2 percent from the week before and down 2.7 percent compared to a year ago. The average steer dressed weight for the week ending December 3 was 855 pounds, down 1 pound from the week before, but up 3 pounds from a year ago.

Cash bids for feeder cattle around the country this week were mostly \$6 lower to \$4 higher than the week before with more markets lower than higher. Prices this week at Oklahoma City were \$5 lower to \$2 higher with price ranges for medium and large frame #1 steers: 400-450# \$182-\$199.50, 450-500# \$172-\$183, 500-550# \$158-\$168, 550-600# \$148-\$158, 600-650# \$144-\$152, 650-700# \$144-\$150, 700-750# \$144.50-\$149, 750-800# \$139-\$147, 800-900# \$133-\$141 and one small group of 900-1000# at \$120/cwt. Δ

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