

Beef Exports Down While Imports Are Up 43 Million Pounds



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outlook

Beef imports exceeded exports during January for the first month since August 2010. Beef exports during January were the lowest of any month since April 2010. January exports were down 8 million pounds (4.4 percent) compared to a year ago, largely because Hong Kong purchased 7 million pounds less U.S. beef than in January 2011. January beef imports were up 43 million pounds (28.8 percent) compared to a year ago and the highest since June 2011.

In total, 8.6 percent of January beef production was exported. Beef imports equaled 9.0 percent of January production.

January domestic retail beef demand was up 8.1 percent compared to a year earlier; but export demand for U.S. beef was down 1.9 percent. Packer demand in January for fed cattle was up 3.8 percent compared to January 2011.

Fed cattle prices were steady this week with moderate sales volume. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$126.34/cwt, down 43 cents from last week, but up \$12.05/cwt from the same week last year. Steer prices on a dressed basis averaged \$202.23/cwt this week, up 41 cents from a week ago and up \$17.45 from a year ago.

Beef cutout value was sharply lower this week. On Friday morning, the choice boxed beef car-

cass cutout value was \$189.92/cwt, down \$5.90 from last week. The select carcass cutout was down \$5.77 from the previous Friday to \$187.94 per hundred pounds of carcass weight. The choice-select price spread is only \$1.98/cwt. A year ago, steer dressed prices were \$2/cwt under the choice cutout value. This week dressed prices are \$12/cwt above the choice cutout value.

This week's cattle slaughter totaled 619,000 head, down 1.9 percent from the week before, but the same as a year ago. The average dressed weight for slaughter steers for the week ending on March 3 was 850 pounds, down 4 pounds from the week before, but up 21 pounds from a year earlier. Weights have been above year-earlier for eight straight weeks. Year-to-date beef production is down 3.7 percent.

Feeder cattle prices this week were generally steady to weak with more auctions lower than higher. Oklahoma City prices were mostly steady with the ranges for medium and large frame #1 steers: 400-450# \$208-\$217, 450-500# \$204-\$210.50, 500-550# \$177.75-\$204, 550-600# \$179-\$196.50, 600-650# \$167-\$182.75, 650-700# \$161.50-\$171, 700-750# \$155-\$166, 750-800# \$149.25-\$164.35, 800-900# \$140-\$154.75, and 900-1000# \$133.50-\$142/cwt.

The April live cattle futures contract settled at \$125.30/cwt today, down 72 cents compared to last Friday. The June contract closed at \$122.70/cwt, down 90 cents for the week. August fed cattle settled at \$124.52 and October at \$129.87/cwt.

March feeder cattle futures lost 52 cents this week to settle at \$153.40/cwt. The April contract ended the week at \$154.30/cwt, down \$1.55 from the previous Friday. Δ

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