

# Beef Exports Expected To Near 2003 Record As Year Ends



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**U**S. beef exports during September were up 14 percent compared to 12 months earlier. September beef imports were down 12 percent. The U.S. exported 29 million more pounds of beef than we imported during the month. This was only the fourth month that beef exports have exceeded imports since the December 2003 announcement concerning BSE. During the first nine months of the year, beef exports are up 17 percent compared to January-September 2009 with the biggest tonnage increase going to South Korea. At the end of the year, U.S. beef exports are expected to be within 10 percent of the 2003 export record and beef imports are expected to be the lowest since 1997.

The average retail price of choice beef was \$4.473 per pound during October. That is 4.8 cents higher than the month before, 18.1 cents higher than in October 2009, and the second highest month since 2008. Meat demand is a bit stronger than last fall.

The boxed beef cutout rose this week. On Friday morning the choice boxed beef carcass cutout value was \$1.5901/pound, up 2.62 cents for the week. The select cutout was up 1.78 cents from the previous Friday to \$1.50 per pound. The choice-select price spread has not reached 10 cents per pound since December 10 2008, but it is close to a dime now.

Fed cattle prices were a bit higher this week.

The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$97.98/cwt, up 31 cents from a week earlier. Steers sold on a dressed weight basis this week averaged \$156.48/cwt, 71 cents higher than the week before. This week last year slaughter steer prices averaged \$82.78/cwt live and \$130.05/cwt dressed.

This week's cattle slaughter totaled 676,000 head, up 2.3 percent from the previous week and up 6.5 percent compared to the same week last year. This was the 19th consecutive week with cattle slaughter above the year-earlier level.

Steer carcass weights averaged 855 pounds during the week ending November 6. That was up 2 pounds from the week before and 11 pounds heavier than a year ago. This was the second consecutive week with steer weights above the year earlier level.

Cash bids for feeder cattle this week were mixed. Oklahoma City prices were steady to \$3 higher with price ranges for medium and large frame #1 steers were: 400-450# \$132-\$147.50, 450-500# \$129-\$136.25, 500-550# \$126-\$132.50, 550-600# \$115.50-\$123.25, 600-650# \$104.75-\$120.50, 650-700# \$110-\$116, 700-750# \$109.50-\$117, 750-800# \$108-\$116, and 800-1000# \$103-\$115.25/cwt.

The December fed cattle futures contract ended the week at \$101.45/cwt, up \$3.05 from a week ago. The February contracted closed out the week at \$105.02/cwt and April settled at \$108.17.

The November cattle on feed report came in very close to pre release forecasts. October placements were up 1.2 percent and October marketings were down 1.2 percent leaving on feed number at 102.9 percent.  $\Delta$

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