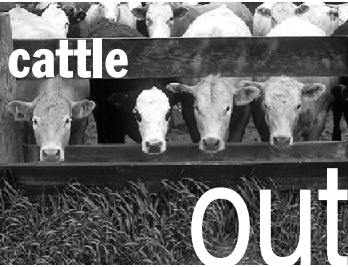


# Beef Exports Rise This Year, Ratio Of Imports Decline



**GLENN GRIMES AND  
RON PLAIN**  
Agricultural Economists,  
University of Missouri

**B**eef exports in March 2008 were up 36.4 percent from 2007. Beef imports by the U.S. for March were down 16.5 percent from 12 months earlier. For March 2007, net beef imports as a percent of production in the U.S. were 8.7 percent. One year later, March net beef imports as a percent of production were down to five percent.

For January through March, beef exports were up 34 percent and imports of beef were down 17.2 percent from the same months of 2007. Because of the increase in exports and decline in imports, net beef imports as a percent of production declined from 8.0 percent in 2007 to 4.4 percent in 2008. This means we reduced beef supply domestically by 3.6 percent and increased fed cattle demand.

Beef purchases from the U.S. for January-March 2008 by country were: Mexico up 14.6 percent, Japan up 25.4 percent, Canada up 67.1 percent, South Korea up 18.5 percent, Taiwan up 25.9 percent, Hong Kong up 2.6 percent, Vietnam up 1,108 percent, Bahamas down 3.6 percent and other countries up 4.3 percent.

Live cattle imports from Mexico for January-March were down 33.5 percent but up 37.6 percent from Canada. Total live cattle imports were up 8.5 percent in the first three months of 2008 compared to a year earlier.

When the dust finally settled last week in fed cattle trade, fed cattle prices were at \$93.84 per cwt live for the five-market area. This price was up \$1.54 per cwt from the average weighted price through Thursday. The average weighted negotiated carcass price for the five-market area for the full week at \$148.07 per cwt was up \$1.07 per cwt from the week earlier through Thursday.

Food prices increased the most in April in 18 years. However, beef and pork were not up

when combined. Beef prices were down 2.7 percent and pork prices were up 1.6 percent in April from a year earlier. The increase in meat prices is still to come, and they will come given time.

Feeder cattle prices at Oklahoma City this week were \$1 to \$2 per cwt higher than last week. Steer and heifer calves were not well tested but limited sales were \$5 to \$7 per cwt higher than seven days earlier.

The prices by weight groups for medium and large frame Number One steers were: 400-500 pounds \$129-145 per cwt, 500-600 pounds \$116-136.25 per cwt, 600-700 pounds \$102.50-117.25 per cwt, 700-800 pounds \$107.75-113.75 per cwt and 800-1,000 pounds \$91-107.50 per cwt.

Wholesale beef prices this Friday morning had Choice beef at \$156.59 per cwt, up \$0.51 per cwt from a week earlier. Select beef prices Friday morning at \$152.13 per cwt were up \$0.66 per cwt from a week earlier.

The live fed cattle weighted average price for the five-market area through Thursday at \$93.90 per cwt was up \$1.60 per cwt from seven days earlier. The weighted average carcass price for negotiated cattle through Thursday for the five-market area at \$149.90 per cwt was up \$2.90 per cwt from a week earlier.

The trade estimates of the Cattle on Feed report are for the number on feed May 1 to be down 1.4 percent; placed on feed during April, down 5.6 percent; and marketings during April, up 8.1 percent from a year earlier.

The futures market has live cattle above \$100 per cwt in August and above \$106 per cwt in October. The only way we can see this much increase in fed cattle prices is with a much larger increase in beef exports in coming months than in the first three months of 2008.

Cattle slaughter this week under Federal Inspection was estimated at 719 thousand head, up 2.6 percent from a year earlier.

The cattle on feed number for May 1 came in the same as the trade estimates, down 1.4 percent from a year earlier. Cattle placed on feed during April at 98 percent of a year earlier were 3.6 percentage points above the trade estimates. Fed marketings during April were also larger than the trade estimates, up 10.7 percent, with the trade estimates for fed marketings to be up 8.1 percent. All changes are from a year earlier.

Δ