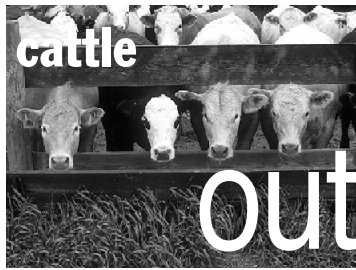


Beef Exports To Canada, Japan Rise



**GLENN GRIMES AND
RON PLAIN**

Agricultural Economists,
University of Missouri

International trade has been a big boost to U.S. beef prices this year. During the first quarter of 2010, U.S. beef exports were up 24.7 percent and imports were down 18.6 percent compared to a year earlier. January-March exports equaled 7.7 percent of U.S. beef production and imports equaled 9.2 percent of production. During the first three months of the year, the biggest drop in U.S. beef imports was an 80.7 million pound decline in imports from Australia. Imports from New Zealand during the first quarter of 2010 were down by 29 million pounds.

Shipments of beef to Mexico, our biggest foreign customer, were down 5.5 percent during January-March. Fortunately, exports to Canada and Japan, our second and third biggest buyers, were up 19.5 percent and 29.7 percent, respectively. Beef exports to Japan and South Korea remain far below their pre-BSE levels.

Spring planting continues at a record pace. As of May 9, USDA/NASS estimates 81 percent of U.S. corn acreage and 30 percent of soybean acres were planted. Corn plantings were up from 68 percent the week before and 46 percent at this time last year.

USDA's May supply and demand report forecast the second consecutive record corn harvest for this fall (13.37 billion bushels). They are forecasting an average farm price close to \$3.60/bu for the 2009 corn crop and around \$3.50/bu for the 2010 crop average.

The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$99.97/cwt, up 44 cents from a week earlier and \$14.86 higher than a year ago. Steers sold on a dressed basis this week averaged \$162.30/cwt, \$2.03 high than the week before.

On Friday morning, the choice boxed beef carcass cutout value was \$1.6993/pound, down 1.2 cents for the week, but 23.34 cents higher than last year. The select cutout was down 3.96 cents from the previous Friday to \$1.646 per pound. The seasonal trend for beef cutout values is downward from early May until August.

This week's cattle slaughter equaled 671,000 head, down 0.3 percent from the previous week and down 0.9 percent compared to the same week last year. Steer carcass weights averaged 804 pounds during the week ending May 1. That was down 3 pounds from the week before and 16 pounds lighter than a year ago.

Cash bids for feeder cattle this week were generally steady this week. The price ranges at Oklahoma City for medium and large frame steers were: 400-450# \$143-154, 450-500# \$137.25, 500-550# \$130-\$140, 550-600# \$128.50-\$137.25, 600-650# \$117.50-\$132, 650-700# \$118-\$127.25, 700-750# \$116.75-\$125, 750-800# \$112-\$118, and 800-1000# \$100.75-\$114/cwt.

Cattle futures lost ground with the stock market on Friday. The June live cattle futures contract ended the week at \$93.25/cwt, down \$2.65 for the week. August settled at \$92.00, down \$2.20 from the week before. October settled at \$93.32/cwt and December live cattle contract ended the week at \$95.32/cwt. Feeder cattle futures were also lower this week. The August feeder contract lost \$1.90 this week, ending at \$112.97/cwt. Δ

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