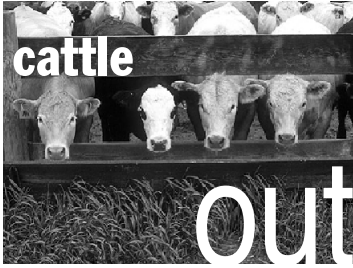


Beef Exports Up This Year Compared To Last



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Beef exports in September 2008 were up 58.3 percent from a year earlier. Beef imports for September were down 12.3 percent from 2007. Net beef imports as a percent of production in September were a negative 0.1 percent. This compares with a net beef imports as a percent of production of 4.1 percent in September 2007.

For January-September, beef exports were up 36.1 percent from 2007. Beef imports for these nine months were down 22.5 percent from 12 months earlier.

Net beef imports as a percent of production for January-September at 2.2 percent were down from 6.9 percent from a year earlier. This is the major reason why the demand for fed cattle for January-September was up about one percent but consumer demand for beef was down four percent.

Beef export value per animal slaughtered for January-September was \$81.50 in 2008 compared to \$57.39 in 2007. The value of beef and beef variety meats in the first nine months of 2008 amounted to \$98.05 per head slaughtered compared to \$68.08 per head in 2007. A very important part of the market is exports of beef and beef variety meats.

Feeder cattle imports from Mexico for January-September were down 40.4 percent in 2008 compared to 2007 but our live cattle imports from Canada for these nine months were up 35.2 percent from a year earlier. Total live cattle imports for the first nine months of 2008 were up 2.5 percent from 2007.

The average of the trade estimates for the November 1 Cattle on Feed report show the on-feed number down 6.1 percent from 2007, placed on feed during October down 8.9 percent and fed marketings during October down 4.9 percent from 12 months earlier.

Feeder cattle prices were hit hard again this

week with feeder cattle prices \$3-5 per cwt lower, steer calves \$3-5 per cwt lower and heifer calves \$4-8 per cwt lower than last week at Oklahoma City.

The range in prices for medium- and large-frame No. 1 steers this week at Oklahoma City were: 400-500 pounds \$108-125 per cwt, 500-600 pounds \$100-115.50 per cwt, 600-700-pound calves \$85-97 per cwt, 700-750-pound calves \$90-92 per cwt, 600-700-pound yearlings \$87.50-89 per cwt, 700-800 pounds \$86.25-89.50 per cwt and 800-900 pounds \$75-86.75 per cwt.

Choice retail beef prices were slightly higher in October than September at \$4.511 per pound, up 0.04 percent from a month earlier but up 9.2 percent from a year earlier.

Choice retail beef prices for January-October were at \$4.309 per pound, up 3.4 percent from a year earlier. We still do not have all of the increased costs due to high grain prices built into retail beef prices.

Wholesale beef prices lost a little this week with Friday morning prices for Choice at \$155.52 per cwt, up \$0.67 per cwt from a week earlier. Select beef at \$145.13 per cwt was up \$1.27 per cwt from 12 months earlier.

The weighted average live fed cattle price for the five-market area through Thursday at \$87.15 per cwt was down \$4.20 per cwt from a week earlier. The negotiated weighted-average carcass price for the five-market area at \$139.20 per cwt through Thursday was down \$3.95 per cwt from seven days earlier.

Slaughter this week under Federal Inspection was estimated at 633 thousand head, up 8.4 percent from a year earlier.

The cattle on feed report came in a little more friendly to the market than the trade estimates.

The on feed number was down 6.8 percent, the trade estimate was for a decline of 6.1 percent. Placement of cattle on feed during October was down 10.5 percent, the trade estimate was for an 8.9 decline. Fed marketings during October was down 3.3 percent from last year. The trade estimate was for a 4.9 percent decline.

This report is positive to reduced marketings in the next few months but demand is weak and will keep prices under pressure.

There will be no report next week due to the Thanksgiving holiday. △