

Beef, Veal Exports Jan.-April Rise 15 Percent



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

Beef and veal exports in April were up one percent from 12 months earlier. For January-April, beef and veal exports were up five percent from 2008. Exports to Mexico were down 19.2 percent, to Canada were down 14.5 percent, to Japan were up 19.2 percent, to Taiwan were down 19.6 percent, to South Korea were up 344.4 percent, to Vietnam were up 74.4 percent, to Hong Kong were down 9 percent, to the Bahamas were up 30.8 percent and other countries were up 5.6 percent from last year.

Beef and veal imports for January-April were up 15 percent from a year earlier. Net beef imports as a percent of production for January-April at 5.4 percent were up from 4.1 percent 12 months earlier.

Trade has added about 1.3 percent more to the domestic beef supply in these four months of 2009 from 2008.

Beef and veal export value for January-April amounted to \$69.19 per animal slaughtered. Beef and veal exports plus beef variety meats value for the first four months of 2009 was \$87.18 per animal slaughtered. The value of beef and veal exports through April this year was up \$6.49 per head slaughtered from last year.

Feeder steers were steady to \$2.00 per cwt higher, feeder heifers were \$1-3 per cwt higher, and stocker cattle and calves were not tested this week at Oklahoma City compared to last week.

Medium- and large-frame Number One steer prices by weight groups this week at Oklahoma City were: 450-500 pounds \$107-113 per cwt, 500-600 pounds \$103.50-111.50 per cwt, 600-650-pound calves \$96-101 per cwt, 600-700-

pound yearlings \$99-105 per cwt, 700-800 pounds \$95.75-101 per cwt and 800-1,000 pounds \$87-97 per cwt.

The trade estimates of the June 1 cattle on feed show number on feed June 1 down 3.3 percent, placed on feed during May down 12.3 percent and fed cattle marketings during May down 9.1 percent.

Retail Choice beef prices in May were up 1.5 percent from April and were up 2.2 percent from May of 2008.

The marketers absorbed all the increase in retail prices. Fed cattle prices in May were 2.3 percent below April and 9.1 percent below May of 2008. In fact, the processor-retailer received all of the increase in retail price, plus some. The packers' margin for January-June was down 2.8 percent where the processor-retailer margin was up 11.8 percent from last year.

Wholesale beef prices Friday morning showed Choice beef at \$139.24 per cwt, up \$0.67 per cwt from last Friday. Select beef at \$132.37 per cwt was down \$0.34 per cwt from a week earlier.

The weighted average live fed cattle price for negotiated cattle at \$81.19 per cwt was down \$0.03 per cwt from Thursday last week. The weighted average negotiated carcass price at \$130.56 per cwt was up \$0.77 through Thursday compared to seven days earlier.

Slaughter this week under Federal Inspection was estimated at 672 thousand head, down 3.2 percent from last year.

The June 1 Cattle on Feed report came in a little more positive than the trade estimates. The trade average was for the on-feed number to be down 3.3 percent. The report came in down 3.8 percent. Placements of cattle on feed during May were down 13.8 percent. The trade expected the placements to be down 12.3 percent. Fed marketings during May were expected to be down 9.1 percent. The report came in down 8.8 percent.

A weak demand, especially in the hotel and the restaurant trade, is the major reason fed prices are too low to cover costs. Δ

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