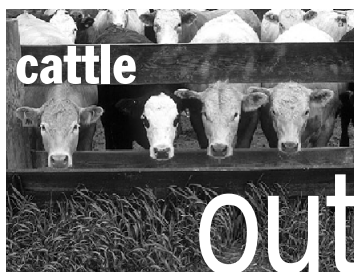


Exports Rise, Imports Fall From Last Year's Totals



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Beef and veal exports in February were up 30.5 percent from a year earlier. Beef imports in February were down 14.5 percent from twelve months earlier. Because of the increase in exports and decline in import the net impact of beef as a percent of beef production in the U.S. declined from 6.9 percent in 2007 to 3.7 percent in 2008 for February.

Beef and veal exports for January-February of 2008 were up 32.8 percent from 2007. Beef imports for these two months were down 17.6 percent from a year earlier this year. As a result of the increase in exports and decline in imports, the net beef import as a percent of beef production declined from 7.7 percent in 2007 to 4.1 percent in 2008. This is the major reason for the demand for live fed cattle in December-February being up 1.8 percent with consumer demand for beef down 2.6 percent.

The purchase of beef and veal by country in January and February were: Mexico up 12.6 percent, Japan up 22.3 percent, Canada up 71.7 percent, South Korea up 186.2 percent, Taiwan up 20.4 percent, Hong Kong up 11.2 percent, Vietnam up 2071.7 percent, Bahamas down 13.5 percent, and other countries up 1.8 percent from 2007.

Live feeder cattle imports from Mexico in January and February were down 9.3 percent and live cattle imports from Canada were up 45.4 percent from a year earlier. Total live cattle imports from Canada and Mexico in January and February were up 28 percent in 2008 compared to 2007.

The trade estimate for the April 1 cattle on feed report is for the on feed number to be 1.3 percent above a year earlier. If the number is

above a year earlier, and the odds appear high for this to happen, it will be the fifth consecutive month for numbers on feed to be above a year earlier.

The good news is the placements of feed during March are expected to be down 8.1 percent from twelve months earlier. This will be the first significant decline in placements on feed since August 2007. Retail Choice beef prices in March at \$4.205 per pound up 0.5 percent from a month earlier and a year earlier.

Feeder steers and heifers steady to \$2.00 per cwt higher after a steady open. Steer and heifer calves not well tested, few sales \$1-3 per cwt lower at Oklahoma City this week compared to seven days earlier.

The range in prices for the medium and large frame Number One steers were: 400-500 pounds \$124.25-130 per cwt, 500-600 pounds \$112-124.50 per cwt, 600-700 pounds \$104-111 per cwt, 700-800 pounds \$102.25-110.75 per cwt, and 800-1000 pounds \$86-95 per cwt.

The weighted average live price for fed cattle for the five-market area for the week through Thursday at \$89.80 per cwt up \$3.20 per cwt from last week. The weighted average carcass price for the five-market area through Thursday at \$143.92 per cwt up \$4.92 per cwt. Wholesale beef strengthened this week with Choice beef Friday morning at \$151.07 per cwt up \$7.87 per cwt from a week earlier. Select beef at \$148.81 per cwt up \$6.76 per cwt from seven days earlier.

Slaughter this week under Federal Inspection estimated at 676 thousand head up 3.7 percent from a year earlier.

The April 1 cattle on feed report came in some more positive than the trade estimates. According to USDA, the number on feed was up 0.3 percent, the trade estimate was for a 1.3 percent larger number than twelve months earlier. Placements on feed during March were down 11.4 percent compared to a trade estimate down 8.1 percent and fed marketings down during March were down only 0.1 percent compared to a trade estimate of down 2 percent from a year earlier. Δ