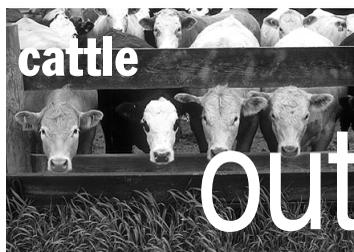


Exports Exceed Imports For Ninth Month



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During May U.S. beef exports were up 15 percent and beef imports were down 15 percent compared to a year earlier. The U.S. exported 11.0 percent of our May beef production while imports equaled 9.3 percent of production. This was the ninth consecutive month with export tonnage greater than imports. Beef exports totaled more than one billion pounds during January-May, the most ever for these months. For the first 5 months of 2011, beef exports are up 27 percent and imports are down 16.5 percent compared to January-May 2010. The big growth market thus far in 2011 has been South Korea which has purchased 98 million pounds (106 percent) more U.S. beef than in January-May 2010. Exports to Japan are up by 62 million pound, exports to Hong Kong are up 36 million pounds, and shipments to Canada are up 29 million pounds.

Cattle imports from Mexico during May were up 14 percent from a year earlier. Imports of cattle from Canada were down 55 percent.

USDA's July corn production and price forecast is for more corn and a lower price than in their June forecast. USDA added 270 million bushels to their corn production forecast and lowered their price estimate on this fall's corn crop by 50 cents to \$5.50 to \$6.50 per bushel. They also predicted a 100 million bushel increase in ethanol use and a 50 million bushel increase in feed use. USDA is now forecasting

2012 beef production to be 4.3 percent below this year and 4.9 percent lower than in 2010.

The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$110.87/cwt, down \$3.65 from last week. Steers sold on a dressed weight basis this week averaged \$179.02/cwt, \$3.44 lower than the week before.

For the second week in a row boxed beef prices ended the week higher. Friday morning the choice boxed beef carcass cutout value was \$181.15/cwt, up \$1.96 from last week. The select carcass cutout was up \$1.75 from the previous Friday to \$175.81 per hundred pounds of carcass weight.

This week's cattle slaughter totaled 667,000 head, up 14.6 percent from the holiday week before and up 0.5 percent compared to the same week last year. The average steer dressed weight for the week ending July 2 was 838 pounds, up 5 pounds from the week before and 11 pounds heavier than for the same week in 2010.

Cash bids for feeder cattle around the country this week generally were from \$1 to \$5 higher than last week. Oklahoma City prices this week were \$3 to \$6 higher with price ranges for medium and large frame #1 steers: 400-450# \$155-\$170.50, 450-500# \$146-\$158.50, 500-550# \$145.50-\$154, 550-600# \$141-\$154, 600-650# \$135-\$147, 650-700# \$131-\$149, 700-750# \$130-\$146.50, 750-800# \$140-\$144, 800-900# \$133.35-\$143 and 900-1000# \$123.25-\$134.50/cwt.

The August fed cattle futures contract ended the week at \$110.60/cwt, down \$4.05 from last week's close. October ended the week at \$116.85/cwt, the December contract closed at \$120.85. Δ

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