

High Exports, Low Imports Highlight 2011



**GLENN GRIMES AND
RON PLAIN**

Agricultural Economists,
University of Missouri

US. cattle prices were record high in 2011 and a good portion of the credit goes to international trade. The U.S. exported more beef in the first 11 months of 2011 than in any previous calendar year. Through November, 10.6 percent of U.S. beef production was exported. The three biggest growth markets for U.S. beef exports are Canada (up 106 million pounds compared to January-November 2010), Japan (up 99 million pounds) and South Korea (up 97 million pounds).

U.S. beef imports during the first 11 months of 2011 were down 11.9 percent compared to a year earlier. Shipments from Canada were down 21.2 percent, imports from Australia down 23.1 percent and Brazil down 40.0 percent. Through November, beef imports equaled 7.9 percent of U.S. beef production.

Cattle imports during November were down 7.7 percent compared to 12 months earlier. During the first 11 months of 2011, cattle imports were down 10.3 percent with cattle from Canada were down 36.3 percent but imports from Mexico were up 14.2 percent. When the totals for 2011 are in, imports of cattle are likely to be close to 2 million head, down 10 percent from 2010 and the lowest since 2005.

Beef cutout value was lower for the third consecutive week. On Friday morning, the choice boxed beef carcass cutout value was \$181.44/cwt, down \$2.78 from last week to the

lowest level since September 9. The select carcass cutout was down 34 cents from the previous Friday to \$175.31 per hundred pounds of carcass weight. The choice-select spread, \$6.14, was down \$2.44 from a week earlier to the lowest level since August 23.

Despite the lower cutout, fed cattle prices were higher this week in light volume. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$125.68/cwt, up \$2.02 from last week, \$19.87/cwt above the same week last year, and the highest of record. Steers sold on a dressed weight basis this week averaged \$202.70/cwt, which is the second highest ever and an amazing \$21.26/cwt above the cutout value of choice carcasses.

This week's cattle slaughter totaled 628,000 head, down 3.8 percent from the week before and down 1.7 percent compared to a year ago. The average steer dressed weight for the week ending January 7 was 851 pounds, up 4 pounds from the week before, but down 1 pound from a year ago.

Feeder cattle prices this week across the country were steady to \$8 higher than last week. The Oklahoma City auction prices were steady with the ranges for medium and large frame #1 steers: 400-450# \$197-\$210, 450-500# \$180.50-\$188.50, 500-550# \$169-\$183, 550-600# \$164-\$177, 600-650# \$152-\$162.50, 650-700# \$140-\$157.50, 700-750# \$148-\$155.25, 750-800# \$144.50-\$152, 800-900# \$137.75-\$146, and 900-1000# \$128.25-\$136.50/cwt.

The February live cattle futures contract settled at \$124.55/cwt today, up \$2.08 compared to last Friday. The April contract closed at \$127.72/cwt, up \$1.32 for the week. Δ

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

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