

Japan Stimulus Plan Would Make U.S. Beef More Expensive To Import



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outlook

Jobs numbers for March were very disappointing. Only 88,000 jobs were added last month while 496,000 Americans either quit working or gave up looking for work. The labor force participation rate is the lowest since 1979. People with jobs are what drive meat demand.

The Bank of Japan is pursuing a \$1.4 trillion monetary stimulus plan. The plan should lower the value of the yen and thus make foreign products, such as U.S. beef and pork, more expensive to import. Last year, Japan was the top foreign buyer of U.S. pork and the second largest foreign buyer of U.S. beef, after Canada.

The new strain of bird flu in China, H7N9, is causing concern for both public health and for poultry demand.

The Beef Checkoff and the National Pork Board are working together to modernize and standardize the names for retail meat cuts. The effort should popularize the use of Flatiron Steak and Denver Steak. Rather than the generic pork chop, the new plan is to sell porterhouse chops, ribeye chops and New York chops.

On Friday morning, the choice boxed beef carcass cutout value was at \$191.69/cwt, up \$2.79 from last Friday and up \$14.28 from a year ago. This morning the select carcass cutout was at \$188.29/cwt, down 53 cents for the

week.

Fed cattle prices rose this week. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$128.29/cwt, up 53 cents from last week and up \$7.38/cwt from the same week last year. Steer prices on a dressed basis averaged \$204.47/cwt this week, up \$1.39 from a week ago and up \$11.08 from a year ago.

This week's cattle slaughter totaled 593,000 head, down 1.0 percent from last week, and down 4.5 percent from a year ago. The average steer dressed weight for the week ending on March 23 was 858 pounds, up 2 pounds from last week and up 14 pounds from a year ago. This was the 63rd consecutive week with weights above the year-ago level.

Oklahoma City feeder cattle prices were \$1 to \$8 higher this week with prices for medium and large frame #1 steers: 450-500# \$158.50-\$193, 500-550# \$164-\$166, 550-600# \$162.50-\$172.50, 600-650# \$151-\$162.25, 650-700# \$142.75-\$152, 700-750# \$141-\$147.25, 750-800# \$137-\$143, 800-900# \$128.50-\$140.75, and 900-1000# \$122.25-\$126.50/cwt.

The April live cattle futures contract closed at \$126.02/cwt today, down \$2.88 from last week's close. June fed cattle contracts settled at \$121.50/cwt. The August fed cattle contract closed at \$122.25/cwt, down \$2.95 from the week before.

April feeder cattle futures ended the week at \$142.57/cwt, \$7.05 higher than last week's close. May feeder cattle settled at \$144.30/cwt.

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