

Japan Was Biggest Buyer Of U.S. Beef in June



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International beef trade continues to be a big factor in this year's record cattle prices. During the first half of 2011, 10.3 percent of U.S. beef production was exported and imports equaled 8.1 percent of production. U.S. beef exports during June were up 19.6 percent while beef imports were down 16.7 percent compared to a year ago. The biggest foreign buyer of U.S. beef in June was Japan. This is the first month Japan was number one since December 2003. Prior to 2004, Japan was consistently the largest foreign buyer of U.S. beef. Then BSE came along and they stopped buying for two and half years. The top 4 foreign destinations for U.S. beef thus far in 2011 are Mexico, Canada, Japan and South Korea. The top three suppliers of beef to the U.S. are Canada, New Zealand and Australia.

Pasture conditions are not good this summer. In mid August 96 percent of Texas pastures and 91 percent of Oklahoma pastures were rated poor or very poor. Nationally 39 percent of pastures are in poor or very poor condition. A year ago, 18 percent were so rated.

Boxed beef prices were sharply higher again this week. Friday morning the choice boxed beef carcass cutout value was \$186.86/cwt, up \$7.30 from last week. The select carcass cutout was up \$7.77 from the previous Friday to \$183.84 per hundred pounds of carcass weight.

Choice boxed beef cutout value is up 8 percent in the last two weeks.

Despite the strong cutout value, fed cattle prices dipped a bit this week. The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$114.04/cwt, down \$2.08 from last week. Steers sold on a dressed weight basis this week averaged \$183.21/cwt, \$1.56 lower than the week before. This week last year, slaughter steers averaged \$98.60/cwt on a live weight basis and \$154.55/cwt of dressed weight.

This week's cattle slaughter totaled 657,000 head, down 0.6 percent from the week before and down 2.1 percent compared to the same week last year. The average steer dressed weight for the week ending August 6 was 846 pounds, up 1 pound from the week before, 2 pounds heavier than for the same week in 2010, and above year-earlier for the 35th consecutive week.

Cash bids for feeder cattle around the country this week ranged from \$2 lower to \$5 higher than the week before. Oklahoma City auction prices this week were \$2 to \$5 higher with price ranges for medium and large frame #1 steers: 400-450# \$148-\$155.75, 450-500# \$145-\$154, 500-550# \$143-\$152, 550-600# \$138.25-\$149.50, 600-650# \$130-\$144, 650-700# \$136.50-\$142.50, 700-750# \$137.25-\$142, 750-800# \$135-\$136.25, 800-900# \$128.75-\$129 and 900-1000# not enough for a market test.

The August fed cattle futures contract ended the week at \$114.30/cwt, down \$3.60 from last week's close. October lost \$4.95 to end the week at \$115.50/cwt. December live cattle settled at \$117.32/cwt, down \$5.35 from the previous Friday. Δ

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