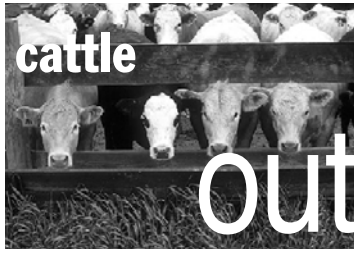


# Overall Trend In Beef Trade Is Encouraging



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**B**eef exports in August were up 19.6 percent compared to a year earlier. Mexico, our biggest foreign customer, and Vietnam our fifth biggest, purchased less U.S. beef during August, but most everyone else purchased more than in August 2009. In total, 8.7 percent of U.S. August beef production was exported.

Beef imports were up 3.1 percent in August. Our three biggest suppliers, Canada, Australia and New Zealand each shipped more to us than in August 2009. August beef imports equaled 9.1 percent of U.S. production.

The overall trend in beef trade is quite encouraging. During the first eight months of the year, beef imports were down 10.2 percent and beef exports were up 17.1 percent compared to the same months of 2009.

August cattle imports from Canada were up 22 percent from August 2009 but imports from Mexico were down 4.9 percent compared to last August. During the first 8 months of the year cattle imports were up 16.3 percent compared to January-August 2009.

The boxed beef cutout rose this week. On Friday morning, the choice boxed beef carcass cutout value was \$1.5426/pound, up 2.92 cents for the week and 15.72 cents higher than last year. The select cutout was up 2.82 cents from the previous Friday to \$1.4677 per pound.

Fed cattle prices were higher this week along with the cutout. The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$96.41/cwt, up \$1.57 from a week earlier and \$15.18 higher than a year ago. Steers sold on a dressed weight basis this week averaged \$152.20/cwt, \$1.83 higher than the week before and \$27.01 higher than last year.

This week's cattle slaughter totaled 659,000 head, down 0.8 percent from the previous week and up 4.8 percent compared to the same week last year. Year-to-date, beef production is down 0.1 percent.

Steer carcass weights averaged 854 pounds during the week ending October 2. That was up 2 pounds from the week before, but 14 pounds lighter than a year ago. This was the 45th consecutive week with steer weights below year earlier levels.

Cash bids for feeder cattle this week were mostly in the range of steady to \$4 lower. This week at Oklahoma City price ranges for medium and large frame #1 steers were: 400-450# \$116.50-\$131, 450-500# \$121.90, 500-550# \$109-\$118.25, 550-600# \$105-\$115, 600-650# \$96-\$114.25, 650-700# \$107-\$109, 700-750# \$107-\$112, 750-800# \$106-\$109.50, and 800-1000# \$97-\$108/cwt.

The October fed cattle futures contract ended the week at \$98.15/cwt, up \$2.60 compared to last Friday's close. For the week the December contract gained \$1.25 to end at \$100.12/cwt. The February contract closed out the week at \$102.57/cwt and April settled at \$105.07/cwt.

December corn futures ended the week 35 cents higher at \$5.63/bushel.  $\Delta$

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