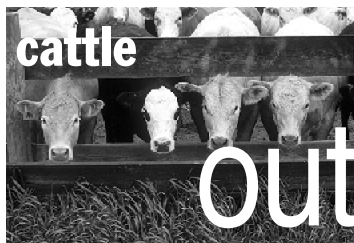


Overall Trend In Beef Trade Is Encouraging



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Beef exports in June were up 17.8 percent compared to a year earlier. Our two biggest foreign customers, Mexico and Canada purchased less U.S. beef in June, but most everyone else purchased more than in June 2009. In total, 8.8 percent of U.S. June beef production was exported.

Beef imports were up 2.2 percent in June. Australia and Brazil shipped less to us while Canada and New Zealand sent us more beef than in May 2009. June beef imports equaled 10.7 percent of U.S. production.

The overall trend in beef trade is quite encouraging. For the first six months of the year, beef imports were down 13.2 percent and beef exports were up 15.6 percent.

Cattle imports from Mexico and Canada were both down from May but up compared to June 2009. During the first half of the year cattle imports were up 15.4 percent compared to January-June 2009.

The boxed beef cutout rose this week. On Friday morning, the choice boxed beef carcass cutout value was \$1.5465/pound, up 3.93 cents for the week and 13.34 cents higher than last year. The select cutout was up 3.53 cents from the previous Friday to \$1.4745 per pound.

Fed cattle prices rose for the second week in a row. The 5-area daily weighted average price for

slaughter steers sold through Thursday of this week on a live weight basis was \$94.06/cwt, up \$1.07 from a week earlier and \$12.08 higher than a year ago. Steers sold on a dressed weight basis this week averaged \$149.50/cwt, \$2.15 higher than the week before and \$18.82 higher than last year.

This week's cattle slaughter totaled 643,000 head, down 2.0 percent from the previous week and down 0.2 percent compared to the same week last year. Year-to-date, beef production is down 0.6 percent.

Steer carcass weights averaged 837 pounds during the week ending July 31. That was up 1 pound from the week before, but 13 pounds lighter than a year ago. This was the 36th 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. The price ranges at Oklahoma City for medium and large frame steers were: 400-450# \$128-\$134.50, 450-500# \$122.50-\$132.50, 500-550# \$117-\$119, 550-600# \$114-\$122.75, 600-650# \$116-\$119, 650-700# \$108-\$119, 700-750# \$114-\$116, 750-800# \$108.50-\$116, and 800-1000# \$102-\$111.60/cwt.

USDA's August crop report estimated the national average corn yield at 165 bushels per acre and the crop at a record 13.365 billion bushels. USDA raised their forecast of corn exports by 100 million bushels and raised their price forecast for the marketing year to between \$3.50-4.10/bushel.

USDA is also forecasting this fall's soybean harvest will be a record - 3.433 billion bushels with a price range of \$8.50 to \$10/bushels. Δ

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