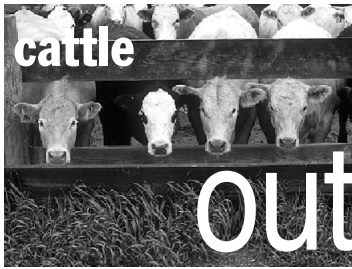


U.S. Beef Imports Drop In January



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outlook

International beef trade started 2010 on a mixed note – net beef trade was better than a year earlier but not as good as in December. U.S. beef exports during January were up 19.4 percent (25 million pounds) compared to January 2009, but down 9.3 percent (16 million pounds) compared to December. Hong Kong, Taiwan, Canada and Japan purchased more U.S. beef than in January 2009 while Vietnam, Mexico and South Korea bought less.

U.S. beef imports were down 28 percent (72 million pounds) in January. Beef imports from Australia, New Zealand, Brazil, Uruguay and Argentina were down. We purchased more beef from Canada, Mexico and Central America than in January 2009. In total, during January we exported 7.4 percent of our beef production and beef imports equaled 8.9 percent of U.S. production.

Fed cattle prices were little changed this week. The 5-area daily weighted average price for slaughter steers sold through Thursday on a live weight basis was \$89.82/cwt, up 11 cents from a week earlier and \$9.13 higher than a year ago. Steers sold on a dressed basis this week averaged \$144.82/cwt, 2 cents lower than the week before and \$15.29 higher than the same week of 2009.

On Friday morning, the choice carcass cutout value was \$1.4903/pound, down 0.9 cents for the week, but 12.43 cents higher than last year.

The select cutout was up 0.13 cents from the previous Friday to \$1.482 per pound. The choice-select spread remains very tight which is an indication of weak beef demand.

This week's cattle slaughter equaled 621,000 head, up 0.6 percent from the previous week, but down 0.6 percent compared to a year ago. This is only the third week this year with slaughter below the year-ago level.

Steer carcass weights averaged 825 pounds the last week of February which was 26 pounds lighter than a year ago. Steer weights have been below year-earlier levels for each of the last 14 weeks.

Cash bids for feeder cattle this week were steady to higher at most locations around the country. The price ranges at Oklahoma City for medium and large frame steers were: 400-450# \$129.50-134.50, 450-500# \$124.50-132, 500-550# \$118-\$126, 550-600# \$112-\$119, 600-650# \$108.25-\$115.75, 650-700# \$102.75-\$111.25, 700-750# \$100.75-\$107.50, 750-800# \$97.50-\$105, and 800-1000# \$90.75-\$99.75/cwt.

Feeder cattle futures had a good week. The April live cattle futures contract ended the week at \$95.10/cwt, up \$2.15 for the week. June settled at \$92.80, up \$1.23 from the week before. August settled at \$90.57/cwt and the October live cattle contract ended the week at \$92.72.

Feeder cattle futures also were higher this week. The March contract ended the week at \$103.00/cwt, up 80 cents from last Friday. April gained 75 cents this week to settle at \$105.97/cwt.

Corn futures ended lower with the March contract off 10.75 cents for the week at \$3.54.

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