

# USDA Forecasts Beef Exports Down In 2009



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**B**eef exports for the year of 2008 were up 31.7 percent from 2007. Beef imports for 2008 were down 16.9 percent.

Mexico was our largest beef customer in 2008 with their tonnage up 10.7 percent, Japan was up 45 percent, Canada was up 14.7 percent, South Korea was up 95.2 percent, Taiwan was up 20.8 percent, Vietnam was up 191.2 percent, Hong Kong was up 0.5 percent, the Bahamas was down 12.9 percent and other countries were up 87.7 percent from 12 months earlier.

Net beef imports as a percent of production declined from 6.1 percent in 2007 to 2.4 percent in 2008. This means domestic supplies of beef were reduced 3.7 percent of production in 2008 compared to a year earlier. This is the major reason live fed cattle demand was substantially stronger in 2008 than consumer beef demand.

Beef exports in December 2008 were up 14.6 percent from the same month of 2007. For 2009, the USDA is forecasting beef exports to be down a little from a year earlier.

Live cattle imports for 2008 were down 8.5 percent from 12 months earlier. Feeder cattle imports from Mexico were down 35.5 percent but live cattle imports from Canada were up 12.6 percent from 2007.

Wholesale beef prices cannot get much

strength with the current levels of beef production. Choice wholesale beef Friday morning at \$134.16 per cwt was down \$1.60 per cwt from a week earlier. Select beef at \$133.76 per cwt down \$0.72 per cwt from seven days earlier.

Feeder cattle were \$1-2 per cwt lower and steer and heifer calves were steady to \$1 per cwt higher at Oklahoma City this week compared to last week.

The range in prices by weight groups for medium and large frame Number One steers were: 400-500 pounds at \$115-122 per cwt, 500-600 pounds at \$105.75-119 per cwt, 600-700 pounds at \$98.25-113 per cwt, 700-800 pounds at \$91-96.25 per cwt and 800-1,000 pounds at \$84.50-94.25 per cwt.

The trade estimates for the February 1 Cattle on Feed Report is for the number on feed to be down 5.7 percent, placements during January to be up 3.1 percent and marketings during January to be down 7.4 percent from a year earlier.

The weighted average live fed cattle price for the five-market area at \$79.46 per cwt was down \$2.18 per cwt from a week earlier through Thursday. The weighted average negotiated carcass price for the week through Thursday at \$128.27 per cwt was down \$2.56 per cwt from seven days earlier.

Slaughter this week under Federal Inspection was estimated at 615 thousand head, down 1 percent from a year earlier.

The February cattle on feed report came in quite close to trade estimates. The on feed number was at 94.3 per cent the same as the trade estimate. Placed on feed during January was up 4 percent, the trade estimate was for a 3.1 percent increase and fed marketings during January were down 5.7 percent and the trade expects fed marketing to be down 7.4 percent. The report should be relatively neutral on the futures. Δ



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