

Vietnam, Japan, Mexico Are Big Beef Export Markets



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US. beef exports continue to grow. During the first 10 months of 2008, the U.S. exported 35.3 percent more beef and imported 22.2 percent less than during January-October 2007. Through October the U.S. has exported 12.8 percent more beef than we did in all of 2007. For these months, exports consumed 7.2 percent of U.S. beef production and imports equaled 9.2 percent of production. The biggest growth markets for U.S. beef exports in 2008 are Vietnam which has bought 73 million pounds more than in the same months last year, Japan which has purchased 66.5 million pounds more, Mexico which is up by 66 million pounds and Canada, up 63 million pounds.

U.S. beef exports during the month of October were down 12.0 percent from September, but up 29.3 percent compared to October 2007. South Korea has purchased more than 35 million pounds of U.S. beef in each of the last three months. In all of 2007 they purchased only 78 million pounds. In the three years 2004-06 combined, South Korea purchased a total of only 3 million pounds of U.S. beef.

Through October, live cattle imports from Canada are up 25.2 percent and imports from Mexico are down 42.2 percent.

Fed cattle prices were lower again this week. The 5-area daily weighted average price for slaughter steers sold through Thursday was \$84.89/cwt on a live weight basis, down \$1.54 from a week earlier and \$7.81 lower than a year

ago. Steers sold on a dressed basis averaged \$133.20/cwt, \$3.47 lower than the week before and \$12.28 lower than the same week of 2007.

Choice boxed beef cutout values also were lower this week. On Friday morning, the choice carcass cutout value was \$1.4044/pound, down 3.49 cents for the week. The select cutout was down 4.48 cents from the previous Friday to \$1.3195 per pound.

The December live cattle futures contract ended the week at \$83.32/cwt, up \$1.77 for the week. February settled at \$82.80, up \$1.35 from the week before. April settled at \$85.95/cwt and the June live cattle contract ended the week at \$81.75.

Federally inspected cattle slaughter for this week was a remarkably light 607,000 head, down 2.3 percent from the week before and down 6.7 percent compared to a year ago.

Last week we incorrectly reported the average steer carcass weight for the week ending on November 22 as being 4 pounds heavier than for the same week in 2007. It was actually 8 pounds lighter. Steer carcass weight averaged 855 pounds for the week of November 29, up 5 pounds from the week before but down 2 pounds from the same week in 2007.

Cash bids for feeder cattle were lower this week. The price ranges at Oklahoma City for medium and large frame steers were: 450-500# \$98-\$109, 500-550# \$93.25-\$103.50, 550-600# \$93-\$97, 600-650# \$82-\$93.50, 650-700# \$80-\$92.25, 700-750# \$83-\$93, 750-800# \$87-\$91.50, and 800-1000# \$81.75-\$90.25/cwt.

USDA updated their forecasts for 2009 this week. They continue to predict that production of each of the four major meat groups, beef, pork, chicken, and turkey, will be lower in 2009. The last year all four meats had lower production was 1973. △