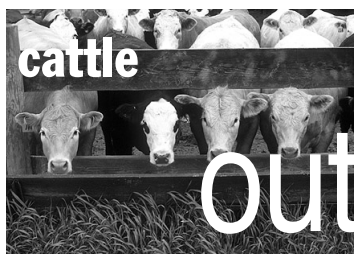


# World Beef Production Expected To Rise, But Decline In U.S.



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## outlook

**A**fter four years of decline, USDA is forecasting that world beef production will be up a slight 0.2 percent this year. Most of the increase is coming from India which is predicted to be up 10.6 percent. Other major beef producing countries which are expanding include Argentina up 2.8 percent, Australia up 2.3 percent, and Brazil up 2.0 percent. The U.S. is the world's largest beef producer. Our production is expected to be down 4.2 percent compared to 2011.

Calculated domestic beef demand during February was up 1.7 percent compared to a year earlier. Export demand for U.S. beef was down 4.6 percent in February. Packer demand for fed cattle was 3.7 percent lower this February than last.

The average grocery store price of choice beef was \$5.053 per pound in March. That is up 0.8 cents from February, up 30.6 cents from March 2011, and the second highest retail monthly average price ever behind January 2012.

The 5-area live price for slaughter steers in March averaged \$126.80/cwt, up \$1.10 from February, up \$10.20 from March 2011 and record high for the second consecutive month.

Beef cutout value was a strongly higher this week. On Friday morning, the choice boxed beef carcass cutout value was \$188.10/cwt, up \$9.94 from the previous Friday. The select car-

cass cutout was up \$7.04 from the previous week to \$184.38 per hundred pounds of carcass weight.

Fed cattle prices were slightly higher again this week. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$122.68/cwt, up 60 cents from last week and up \$3.38/cwt from the same week last year. Steer prices on a dressed basis averaged \$198.52/cwt this week, up \$3.59 from a week ago and up \$7.15 from a year ago. Steer dressed prices are \$10.42/cwt above the choice cutout value.

This week's cattle slaughter totaled 598,000 head, up 2.7 percent from the week before, but down 7.9 percent from a year ago. The average dressed weight for slaughter steers for the week ending on April 7 was 843 pounds, up 7 pounds from the week before, up 24 pounds from a year ago, and above a year earlier for the 13th consecutive week.

Oklahoma City feeder cattle prices were mostly steady to \$5 higher this week with the ranges for medium and large frame #1 steers: 400-450# \$201-\$213, 450-500# \$194-\$206, 500-550# \$183-\$199, 550-600# \$175-\$188, 600-650# \$162-\$183.50, 650-700# \$159.25-\$170, 700-750# \$150-\$158.75, 750-800# \$147.50-\$155, 800-900# \$133-\$152.50, and 900-1000# \$131.50-\$136.50/cwt.

Live cattle futures contracts were slightly lower for the week. The April contract ended the week at \$120.55/cwt, up 3 cents from last Friday. The June contract settled at \$115.45/cwt, down 62 cents for the week. The August fed cattle contract ended the week at \$118.85/cwt, down 20 cents compared to the week before. October settled at \$124.60/cwt. △

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