



# Market Advisor

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## Cattle outlook

In November, for the third month in a row, U.S. beef exports were larger than U.S. beef imports. During November, we exported 216 million pounds (lb.) of beef and imported only 131 million lb. U.S. beef exports during November were up 24.9% compared to November 2009 with each of the top 12 foreign destinations, except Vietnam, buying

more U.S. beef than in November 2009. Beef imports were down 22.7% in November.

Through November, U.S. beef exports were up by 311.7 million lb. (17.7%) and imports were down by 285.3 million lb. (11.7%) compared to the first 11 months of 2009. The U.S. exported more beef during the first 11 months of 2010 than

for any calendar year since 2003.

January-November cattle imports from Mexico were up 30.9% compared to a year earlier with imports from Canada up 2.8%. When December trade data become available, it appears 2010 imports of cattle will be close to 2008 levels.

Fed-cattle prices were higher the week of Jan. 14. The five-area daily weighted average price for slaughter steers sold through Thursday, Jan. 13, on a live-weight basis was \$107.74 per hundredweight (cwt.), up \$2.29 from a week earlier. Steers sold on a dressed-weight basis averaged \$170.05 per cwt., \$1.92 higher than the week before. The same week last year slaughter steer prices averaged \$84.97 per cwt. live and \$136.91 per cwt. dressed.

The futures market expects fed-cattle prices to continue to move higher and to record levels. The February fed-cattle futures contract ended the week at \$106.37 per cwt., up \$3 from a week ago. The April contract closed out the

week at \$113.75 per cwt. and June settled at \$112.30 per cwt. December fed-cattle futures ended the week at \$116.60 per cwt.

The boxed beef cutout value moved higher mid-January. On Friday morning, Jan. 14, the Choice boxed beef carcass cutout value was \$169.19 per cwt., up \$3.32 for the week. The select cutout was up \$5.88 per cwt. from the previous Friday to \$166.02 per hundred pounds of carcass weight.

Cattle slaughter totaled 628,000 head for the week of Jan. 14, down 1.3% from the week before and down 4.3% compared to the same week last year. This week and last week are the only two weeks with cattle slaughter below the year-ago level since the week ending July 10, 2010.

Steer carcass weights averaged 856 lb. during the week ending Jan. 1. That was up 1 lb. from the week before and 13 lb. heavier than a year ago.

