

**Dillon Feuz, Ph.D.**  
**Professor, Department of Economics, Utah State University**

**Japanese Trade**

On Thursday last week the USDA announced that Japan would again accept U.S. beef exports. The beef must be from cattle under 21 months of age and from approved packing plants. This is good news for the beef industry and hopefully in the future the Japanese market will again be an important export market. However, growth in this market will likely be slow. In the last few years, Japanese consumers have been consuming less beef and getting more of their protein from other sources. Therefore, even if the U.S. were to quickly regain its prior share of the beef market, it would be at a lower quantity. Quickly regaining market share is probably unlikely as well. Australia, New Zealand and South American countries have all established greater presence in the Japanese market. U.S. pork exports to Japan have also increased the last couple of years. All of this will make for tough competition to regain market share.

For those individuals who had been looking for a big market reaction to an announcement of the reopening of the Japanese market, it didn't happen. On Friday, Oct. and Dec. live cattle contracts were up only \$.30 and \$.15 per cwt. and on Monday both contracts were up about \$.50 per cwt. as of this writing. Still, even a relative small quantity of beef exports to Japan should be supportive of a little higher fall and winter live cattle contracts.

**The Markets**

Slaughter cattle prices were steady in the south with light trade this week developing on Friday and prices were steady in the north this last week with active trade on Friday. Prices were mostly \$79.50 in the south and were \$126-126.50 in the north. Choice boxed beef prices were lower this week. The weekly average price declined over \$3 compared to the prior week. The Choice-Select spread continued to decrease but remains wider than the historical level. Feeder cattle prices were steady in Kansas and lower this week in Nebraska. Calf prices were lower in Kansas and Nebraska on a fairly small volume.

	<b>Last Week</b>	<b>Previous Week</b>	<b>Last Year</b>
Kansas Fed Steer Price, live weight	\$79.20	\$79.26	\$79.94
Neb. Fed Steer Price, dressed weight	\$126.15	\$126.18	\$123.18
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$117.27	\$117.30	\$111.00
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$129.19	\$131.10	\$123.12
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$118.78	\$121.37	\$118.15
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$136.35	\$138.83	\$135.07
Choice Boxed Beef Price, 600-900 lb. carcass	\$140.88	\$144.12	\$125.53
Choice-Select Spread, 600-900 lb. carcass	\$17.18	\$19.70	\$6.53