

## In The Cattle Markets

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### Japanese Beef Market

The news coming from Japan on acceptance of U.S. beef is a case of good news and bad news. First the good news. More customers at Japanese and Korea restaurants are ordering dishes containing U.S. beef than those restaurant owners expected. This would indicate that there still is a segment of the Japanese population that likes the taste of U.S. beef and views it as a safe product. Now the bad news. There are only a few restaurant and retail outlets that are offering U.S. beef for sale. Most are still in a "wait and see" mentality to judge Japanese consumer acceptance of U.S. beef. In August, only 105 tons of U.S. beef was imported into Japan. This compares to average monthly imports of 20,000 tons during 2003. A few factors that are at play in this market that will continue to depress U.S. beef consumption in Japan: 1) Many restaurants changed menu items in the last couple of years and are not in a hurry to change back, at least until they are certain that their consumers want U.S. beef; 2) While U.S. beef is still lower priced than Japanese beef, it is higher priced than it was in 2003 and it is certainly higher priced than Australian beef; 3) Most American restaurant chains in Japan are serving cheaper Australian beef and have no plans to change to U.S. beef; and 4) While some consumers at Japanese restaurants are ordering U.S. beef, consumer surveys still indicate a high percentage of Japanese consumers still consider U.S. beef unsafe.

### The Markets

Slaughter cattle prices were a couple of dollars higher in the south with moderate trade this week developing on Friday and prices were also a couple of dollars higher in the north this last week. Prices were \$91.00-92.00 in the south and were \$140-141 in the north. Choice boxed beef prices were about a dollar lower this week, while Select prices were closer to steady for the week. The Choice-Select spread continued to decrease and is smaller than the historical level. Feeder cattle prices were steady to higher in Kansas and steady this week in Nebraska. Calf prices were steady to lower in Kansas and were lower in Nebraska.

	Last Week	Previous Week	Last Year
Kansas Fed Steer Price, live weight	\$91.74	\$89.26	\$87.08
Neb. Fed Steer Price, dressed weight	\$140.32	\$138.36	\$136.00
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$117.38	\$116.47	\$118.57
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$128.41	\$129.39	\$131.51
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$121.32	\$121.06	\$122.06
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$130.05	\$135.36	\$138.67
Choice Boxed Beef Price, 600-900 lb. carcass	\$141.34	\$142.09	\$137.56
Choice-Select Spread, 600-900 lb. carcass	\$8.68	\$9.16	\$12.47