

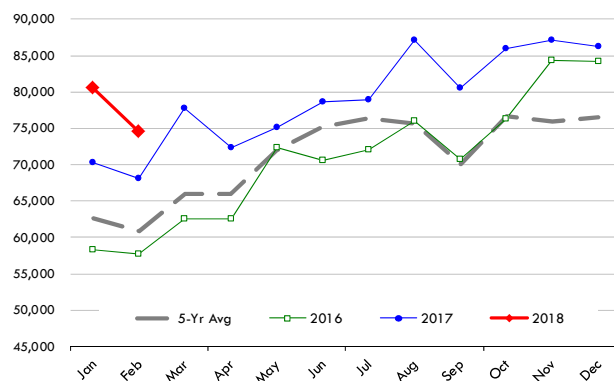
Both the volume and value of US meat protein exports was higher in February. The possibility of a trade war with China could quickly change that trajectory, hence the volatility in futures markets. Exports of all proteins were higher in February and, more importantly, the value of US exports rose sharply. Below are some of the key highlights:

Beef: Total shipments of US fresh/frozen and cooked beef in February were 74,554 MT, 9.5% higher than a year ago. The increase came despite a decline in US exports to Japan, which remains the top market for US beef. Shipments to Japan in February were 17,264 MT, 13% lower than a year ago. But exports to Hong Kong at 10,216 MT were 38% higher than a year ago, offsetting the lost sales to Japan. South Korea demand remains very strong and exports there were 14,789 MT, 23% higher than a year ago. US export tariff to Japan. The Japanese safeguard tariff, which was raised to 50% last summer, went down to 38.5% on April 1. The lower tariff and the decline in US fed cattle prices should bolster US exports to this market in Q2. **The value of fresh/frozen and cooked beef exports in February was \$528 million, 18.3% higher than a year ago.** The value of US exports to Hong Kong was \$81 million, 61% higher than a year ago. Exports to Japan declined in volume terms but the value of product going there was actually 5% higher than it was a year ago. Beef exports to China in February were quite small at 368 MT, down from 820MT in January. Beef variety meat exports were up 16.5% in terms of volume. The value of US beef variety meat exports in February was \$71.9 million, 15.3% higher than a year ago. This does not include the value of hides. The value of whole cattle hides in February was \$72 million, down 21% from a year ago. **China is by far the biggest buyer of US cattle hides, purchasing \$45.2 million worth of product in February compared to \$57.7 million a year ago.** We plan to talk more about this topic in our next update.

Pork: Exports of fresh/frozen and cooked pork in February was steady relative the previous month despite fewer ship days and **8.8% higher than a year ago.** Mexico remains the top market for US pork, taking 52,381 MT of US pork in February, 1.3% less than a year ago. The value of US exports to Mexico was \$98.1 million, unchanged compared to a year ago. However, exports to a number of Asian and South American markets remain in excellent shape. Shipments to South Korea were 20,915, 48% higher than a year ago. The value of US exports to South Korea was \$61.6 million, 67% higher than a year ago. It was recently reported that a new case of FMD was found in a South Korean farm. Exports to Colombia were up 37% in terms of volume and 51% in value terms. Shipments to China were 13,776 MT, up 10.6% from last year, accounting for 8.3% of all exports. The value of exports to China was \$25.9 million, 24% higher than last year. Pork variety meat exports were 35,519 MT, 13.8% less than a year ago. Exports to China were 9,002 MT (-39% y/y) and worth \$15.3 million (-34% y/y)

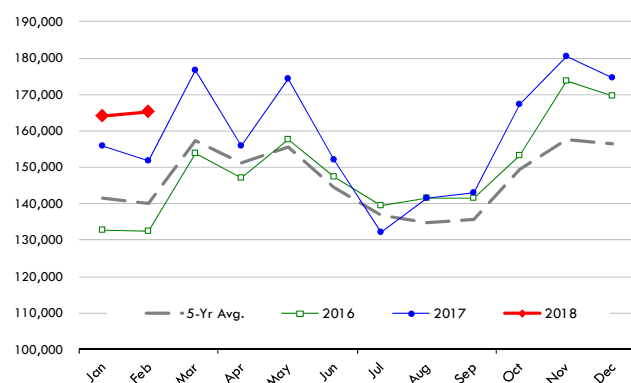
Quantity of US Exports of Fr/Frz/Pres Beef: World Total

Source: USDA/FAS. Units: Metric Ton. Analysis by: Steiner Consulting (800.526.4612)



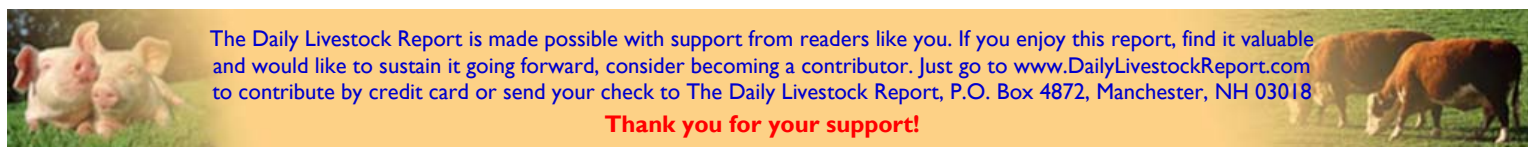
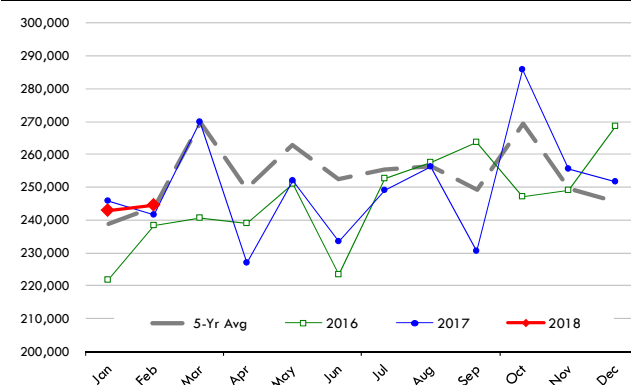
Quantity of US Exports of Fr/Frz/Cooked Pork: World Total

Source: USDA/FAS. Units: Metric Ton. Analysis by: Steiner Consulting (800.526.4612)



Quantity of US Exports of Fr/Frz Chicken: World Total

Source: USDA/FAS. Units: Metric Ton. Analysis by: Steiner Consulting (800.526.4612)



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