

The World Agricultural Supply and Demand Estimate (WASDE) report was published yesterday by USDA (it is available [here](#)). Market analysts found no surprises in the feedstuff and animal-based protein WASDE forecasts.

Regarding important feedstuffs, compared to the prior month's report, domestic corn use (feed and residual and the food, seed & industrial categories) were adjusted down for the current crop-marketing year. Those adjustments were rather small and reflected larger than expected stocks in the recent quarterly report (USDA-NASS Grain Stocks report released on March 29th). The corn price range for the 2017-18 crop-marketing year was narrowed (national price received by farmers) to \$3.20 to \$3.50 per bushel. U.S. soybean meal adjustments were small, but the 2017-18 projected price was increased some (range of \$340 to \$360 per ton).

U.S. red meat production for 2018 was slightly reduced, relative to the prior monthly report beef output was lowered by 0.2% and pork by 0.4%. U.S. broiler production forecast for 2018 was reduced by 0.6%. Still, record-large production levels are the order of the day.

The WASDE report did not adjust forecasts of U.S. imports of either pork or beef for this year. Expectations for U.S. beef export tonnage also remained unchanged and record-large. The forecast for U.S. pork exports was slightly lowered (reduced by 0.4% or 25 million pounds). Importantly, the 5.9 billion

pound (carcass weight) forecast is a new high, and the year-over-year increase would be 4.8% (up 268 million pounds from 2017's). WASDE analysts attributed that slight decline to some weakening in exports to China, due to the imposition of higher tariffs on U.S. pork.

USDA's Foreign Agriculture Service (FAS), published their semi-annual updates on world livestock, meat, and poultry trade. The full publication is available [here](#). Three special reports are included, the first is on the growing importance of Uruguay in world beef trade, the second discusses increasing world pork production and prices, and the last article is on Brazilian broiler exports.

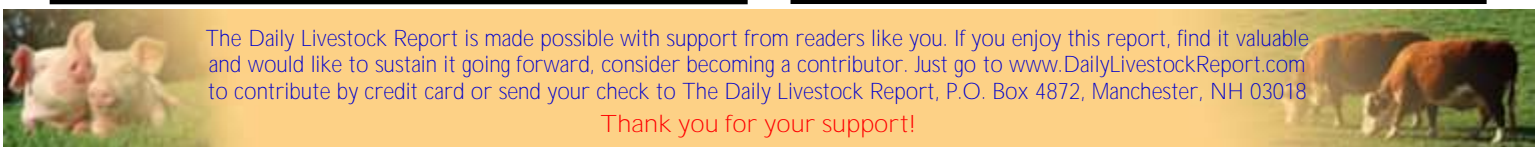
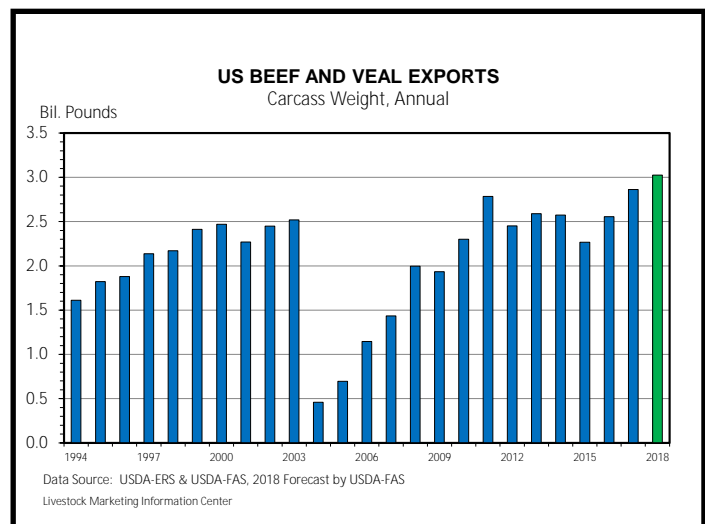
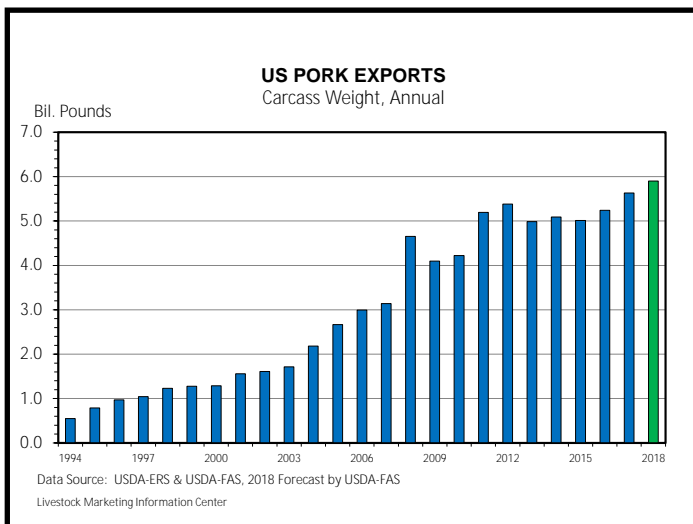
Besides interesting special reports, some highlights from the FAS report are:

1) Beef: "The hardy increase in world trade will be driven by strong global demand and competitive prices."

2) Pork: "While U.S. shipments will be negatively affected by higher tariffs and lower Chinese demand, the impact on overall export volume will be largely offset by increased shipments to other markets including Mexico, Japan, and the Philippines."

3) Broiler: "Despite increased production by major exporters Brazil and the U.S., barriers to trade constrain additional export growth."

4) Cattle Numbers: Due to drought, the 2019 Argentine herd is expected to decline by 450,000 head (0.8%) year-over-year.



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