

US red meat and poultry exports were explosive in March, with both export volume and revenue up in double digits compared to year ago levels.

Below is a brief summary of the highlights for each species. Keep in mind that the export volume data is in metric ton, product weight basis. USDA/ERS will issue today its calculations on a carcass weight basis, which will allow us to better compare with the monthly production numbers and implied domestic availability. US meat supplies have expanded rapidly but a significant portion of that growth went to feed the rest of the world. It is good news for US producers and something that domestic buyers need to consider in their planning decisions. The spike in fed cattle values this spring is a reminder of the risks of staying short bought going into the biggest grilling weekend of the year.

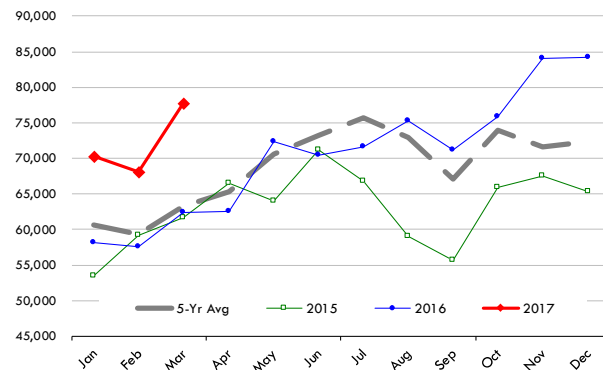
Beef: Exports of fresh, frozen or cooked beef and veal in March were 77,743 MT, 15,407 MT **(+24.7%) higher than a year ago**. This was the largest monthly beef export volume since June 2014. We think this is evidence that it was a combination of both domestic and export demand which pushed beef packers to ramp up slaughter during the first quarter. Beef export revenue (excluding variety meats) was \$510.8 million, almost \$100 million (+24.2%) higher than last year. The value of beef shipped in March was not much different than a year ago, implying that it was the increase in availability rather than a cheaper price that drove exports. The two biggest contributors to the growth in beef exports were Japan and S. Korea. Lower slaughter and higher prices for Australian/New Zealand beef supported US beef exports to these markets. Beef and veal exports to Japan in March were 23,222 MT, 43% higher than a year ago. Exports to South Korea at 13,052 MT were 27% higher than last year.

Pork: Weekly export data suggested that pork exports in March would be large and indeed they were. Total shipments of fresh, frozen and cooked pork for the month were 176,574 MT, 22,671 MT (+15%) higher than a year ago. This was **another all time record monthly volume, surpassing the record amount that was shipped in November 2016**. We will wait for the carcass weight data but it is likely that the percentage of pork exports relative to national production was the largest ever as well. Even more encouraging is that the value of pork exported increased by more than volume shipped, evidence of **excellent demand for US pork**. Export revenue in March was \$483.4 million, \$78.7 million (+19%) higher than a year ago. This was only for pork meat products. The value of pork variety meat in March was \$79.7 million, a whopping \$22.2 million (+39%) higher than last year. The combined value of pork and pork variety meat exports in March increased by more than \$100 million. FI hog slaughter in March was 10.6 million head and the \$100 million increase in export value contributed about \$10 per head of hog processed. Some of this went into higher packer margins but some of it also helped bolster the price the packer paid for hogs during that period. Net hog prices in March averaged around \$71/cwt, substantially more than earlier expected. We think this was in part due to the very robust pork export demand.

Broilers: Exports of fresh/frozen broiler meat in March were 269,744 MT, 29,485 MT (+11%) higher than a year ago. One of the biggest growth markets in March was Cuba, with exports there up 12,517 MT (+58%).

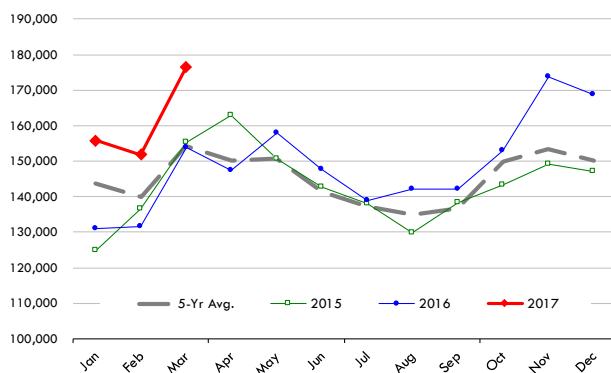
US Exports of Fr/Frz/Proc Beef: World Total, MT

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



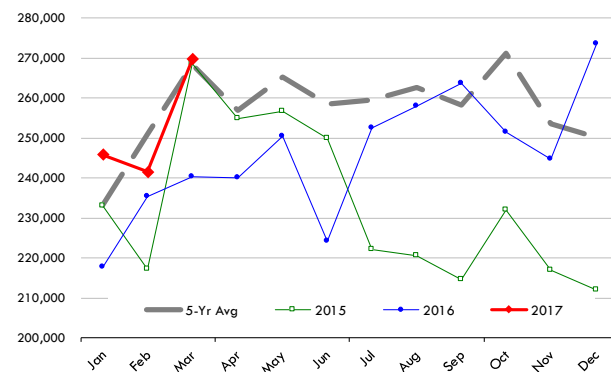
US Exports of Fr/Frz/Cooked Pork: World Total, MT

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



US Exports of Fr/Frz Chicken: World Total, MT

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



The Daily Livestock Report is made possible with support from readers like you. If you enjoy this report, find it valuable and would like to sustain it going forward, consider becoming a contributor. Just go to www.DailyLivestockReport.com to contribute by credit card or send your check to The Daily Livestock Report, P.O. Box 4872, Manchester, NH 03018

Thank you for your support!

The Daily Livestock Report is published by Steiner Consulting Group, DLR Division, Inc.. To subscribe, support or unsubscribe please visit www.dailylivestockreport.com. Copyright © 2016 Steiner Consulting Group, DLR Division, Inc. All rights reserved.

The Daily Livestock Report is not owned, controlled, endorsed or sold by CME Group Inc. or its affiliates and CME Group Inc. and its affiliates disclaim any and all responsibility for the information contained herein. CME Group, CME and the Globe logo are trademarks of Chicago Mercantile Exchange, Inc.

Disclaimer: The Daily Livestock Report is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.