Daily Livestock Report

Sponsored in part by CME Group

Vol. 16, No. 90 / May 7, 2018

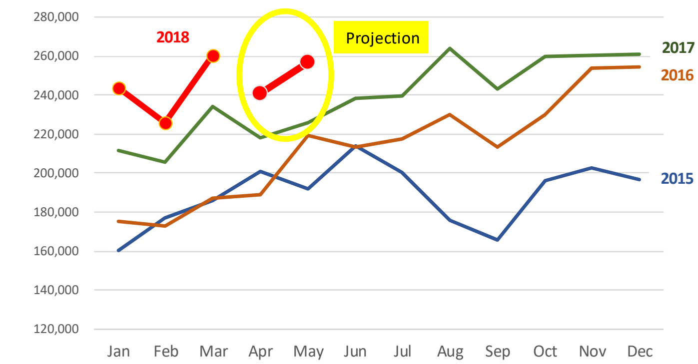
Beef and pork **export data on a product weight basis were released by the US Census Bureau on Thursday. The following day the Economic Research Service of the USDA issued the carcass weight trade statistics**. Carcass wt. calculations are done using specified conversion factors and there is often a slight difference between the y/y change on a product weight and carcass weight basis. For those looking to know the exact difference in terms of export volumes and $ sales from one year to the next, we think the Census data provides the most exact measure. However, there is a very good reason for looking at export numbers on a carcass weight basis - it allows for a comparison with the production data which is reported on a carcass weight basis. Below are some of the highlights from this latest report:

Beef: Total beef exports in March were 260.6 million pounds (carcass wt.), 26.6 million pounds (+11.4%) higher than the same period a year ago. Japan remain the biggest market for US beef, purchasing 75.6 million pounds in March, 1.2% more than the previous year. South Korea was the second largest market in terms of volume but it contributed more than half of the growth in March. Total exports to South Korea were 49.4 million pounds, 13.6 million pounds (+38%) higher than a year ago. In the first three months of the year exports to South Korea have been a total of 135.8 million pounds, 30.3 million pounds (+29%) higher than a year ago. Consider that total US beef production in the first quarter of the year increased by 162 million pounds, with about 20% of that growth going to one market. This strong demand has supported prices for items that traditionally go to this market, such as chuck rolls, briskets and short plates. Total US beef exports in the first quarter of the year were 730.1 million pounds, 79.3 million pounds (+12%) higher than a year ago. Exports represented 11.3% of US beef production in the first quarter, while export growth absorbed almost half of the overall increase in US beef production for the quarter. Only part of the increase in exports was offset by an increase in beef imports. Total beef imports in Q1 were 721.9 million pounds, 22.8 million pounds (+3.3%) higher than a year ago. Adjusting total beef production in Q1 by the positive beef trade balance implies only a 1.7% growth in total supply availability. The table to the right also shows our early projections for beef exports in April and May. These are based on weekly export data through last week and an expectation that the trend will be sustained into May.

Pork: March pork exports were 538.1 million pounds on a carcass weight basis, 14.3 million (+2.7%) higher than a year ago. Exports to key markets such as Japan and Mexico were down in March but were offset by a sharp jump in shipments to South Korea. Mexico remains the top market for US pork, purchasing 150.4 million pounds, 4.2% less than a year ago. Exports to Japan at 104.2 million pounds also declined 16 million pounds or 13.4% from a year ago. On the other hand, exports to South Korea were 87.7 million pounds, 25.5 million pounds (+41%) higher than last year. US pork production in Q1 increased 235 million pounds or 3.7%. Exports for the quarter were 1.516 million , 83.7 million pounds higher while pork imports at 279 million increased by 14.8 million. Adjusting for the positive trade balance, Q1 pork supply increased by 166 million pounds or 3.2% from a year ago.

MONTHLY BEEF EXPORTS. ALL BEEF/VEAL EXPORTS. CARCASS WT. BASIS. MIL LB.

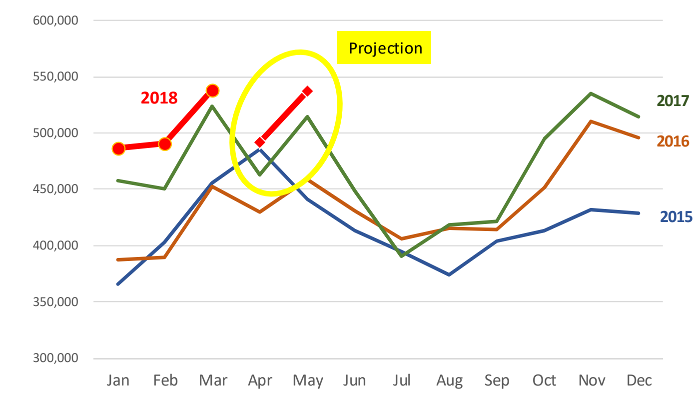
Source: USDA-ERS. Projection Based on Weekly USDA Export Data & Historical Relationships



	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
2015	160,399	177,168	185,923	200,613	192,183	213,920	200,178	176,078	165,598	195,898	202,633	196,631
2016	175,151	172,893	187,288	189,189	219,039	213,064	217,580	229,917	213,206	229,863	253,950	254,557
2017	211,365	205,505	234,010	218,353	226,114	238,605	239,368	263,764	242,954	259,996	260,692	260,830
2018	243,674	225,843	260,628									
2018E				240,778	256,815							

MONTHLY US PORK EXPORTS. CARCASS WT. BASIS. MILLION POUNDS

Source: USDA. Projections Based on Weekly USDA Reported Export Data & Historical Relationships



	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
2015	366,125	402,382	455,443	485,141	440,931	412,942	395,013	373,916	403,808	413,633	431,929	428,599
2016	387,216	389,111	452,637	429,414	458,269	430,555	405,728	415,290	414,173	451,836	509,785	495,380
2017	457,958	450,198	523,791	462,927	514,637	448,541	390,254	418,004	421,443	494,643	535,433	514,317
2018	486,448	491,048	538,108									
2018E				491,440	536,600							

Daily Livestock Report

Sponsored by CME Group

Vol. 16, No. 90 / May 7, 2018

PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending 5/5/2018

Source: Various USDA Agricultural Marketing Service reports. Some data are preliminary. *Weekly Avg. Prices*

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
			5-May-18	28-Apr-18		6-May-17			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,891**	**1,876**	0.81%	**1,840**	2.79%	**32,495**	1.8%
	FI Slaughter	Thou. Head	647	623	3.85%	615	5.18%	10,878	2.4%
C	FI Cow Slaughter **	Thou. Head	120	116	3.57%	110	8.78%	1,912	7.7%
T	Avg. Dressed Weight	Lbs.	809	814	-0.61%	786	2.93%	819	0.8%
T	Beef Production	Million Lbs.	522.6	506.1	3.26%	482.6	8.29%	8,907	3.1%
L	Live Fed Steer Price	$ per cwt	124.96	123.73	0.99%	144.60	-13.58%		
E	Dressed Fed Steer Price	$ per cwt	193.62	196.21	-1.32%	229.80	-15.74%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	163.28	159.22	2.54%	161.39	1.17%		
&	Choice Beef Cutout	$ per cwt	226.80	218.62	3.74%	232.55	-2.47%		
	Hide/Offal	$ per cwt, live wt	9.74	9.63	1.14%	11.83	-17.67%		
B	Rib Primal, Choice	$ per cwt	374.91	358.84	4.48%	373.98	0.25%		
E	Round Primal, Choice	$ per cwt	173.07	168.79	2.54%	178.99	-3.31%		
E	Chuck Primal, Choice	$ per cwt	176.88	173.15	2.15%	181.20	-2.38%		
F	Trimmings, 50%	$ per cwt	95.75	95.25	0.52%	135.76	-29.47%		
	Trimmings, 90%	$ per cwt	218.01	218.16	-0.07%	220.25	-1.02%		
	FI Slaughter	Thou. Head	2,332	2,363	-1.31%	2,268	2.82%	42,710	2.9%
	FI Sow Slaughter **	Thou. Head	57.6	59.3	-2.86%	59.0	-2.41%	934	1.1%
H	Avg. Dressed Weight	Lbs.	215.0	214.0	0.47%	212.0	1.42%	214	0.7%
O	Pork Production	Million Lbs.	500.6	506.8	-1.22%	480.4	4.20%	9,148	3.6%
G	Iowa-S. Minn. Base	Wtd. Avg.	59.06	58.39	1.15%	62.68	-5.78%		
S	Natl. Base Carcass Price	Wtd. Avg.	63.95	62.66	2.06%	62.85	1.75%		
	Natl. Net Carcass Price	Wtd. Avg.	66.17	64.70	2.27%	65.26	1.39%		
	Pork Cutout	205 Lbs.	69.36	68.18	1.73%	76.37	-9.18%		
	Ham Primal	$ per cwt	50.50	53.74	-6.03%	63.03	-19.88%		
	Loin Primal	$ per cwt	73.12	71.24	2.64%	77.07	-5.13%		
	Belly Primal	$ per cwt	84.84	85.82	-1.14%	111.08	-23.62%		
	Trimmings, 72%, Fresh	$ per cwt	62.60	57.45	8.96%	75.53	-17.12%		
	Hog By-Product Value	$ per cwt, live wt	3.70	3.68	0.54%	3.90	-5.13%		
C	Young Chicken Slaughter *	Million Head	160.2	161.7	-0.96%	164.8	-2.83%	2,697	-0.9%
H	Avg. Weight (RTC)	Lbs.	4.73	4.70	0.81%	4.68	1.14%	6.18	0.8%
I	Young Chicken Production (RTC)	Million Lbs.	758.3	759.5	-0.16%	771.6	-1.73%	12,673	0.0%
C	Eggs Set (19-state)	Million	0.0	230.2	NA	223.5	NA	3,864	2.5%
K	Chicks Placed (19-state)	Million Head	0.0	183.8	NA	180.5	NA	3,094	1.1%
E	National Composite Whole Bird	Composite	113.96	109.06	4.49%	99.12	14.97%		
	Northeast Breast, B/S	$/cwt	130.47	131.54	-0.81%	138.37	-5.71%		
	Northeast Leg Quarters	$/cwt	39.72	40.23	-1.27%	41.13	-3.43%		
T	Total Turkey Slaughter *	Million Head	4.343	4.046	7.34%	4.182	3.85%	68.896	-0.8%
U	Avg. Weight (RTC)	Lbs.	25.30	25.66	-1.41%	25.19	0.43%	31.90	-0.6%
R	Turkey Production (RTC)	Million Lbs.	109.9	103.8	5.83%	105.3	4.30%	1,768	-0.9%
K	National Hen (8-12 lb)	8-16 Lbs.	79.50	78.50	1.27%	99.25	-19.90%		
G	Corn, Omaha	$ per Bushel	3.85	3.74	2.94%	3.38	13.91%		
R	Distillers Grain, Chicago	$ per Ton	173.50	177.50	-2.25%	96.50	79.79%		
A	Wheat, Kansas City (deliv.)	$ per Bushel	5.37	5.12	4.88%	4.02	33.58%		
I	Soybeans, Cntrl IL	$ per Bushel	10.35	10.15	1.97%	9.61	7.70%		
N	Soybn Meal 48%, Cntrl IL	$ per Ton	408.10	386.70	5.53%	315.10	29.51%		

* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

** Cow and sow slaughter reflect levels from two weeks ago due to reporting lag. YTD still references 2017.