

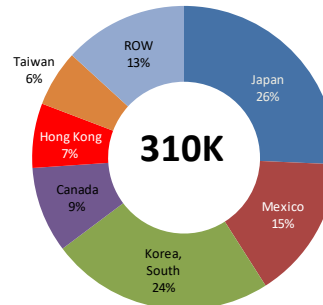
The official trade data for April was released by USDA-FAS yesterday and below are a few highlights. The monthly trade statistics are collected by the US Census Bureau and USDA-FAS reports on the ag. statistics collected. This should not be confused with the weekly export and export sales report that is prepared by USDA-FAS and covers only muscle cuts of beef and pork.

Beef export highlights: Total exports of fresh/frozen and cooked beef and veal in April were estimated at 80,856 MT, **3% lower than the previous year**. **South Korea** was the biggest export market in April, taking 21,373 MT of beef and veal, 3,584 MT or **20% more than a year ago**. Those gains, however, were offset by a reduction in exports to a number of countries. **Exports to Hong Kong were 5,097 MT, 41% lower than a year ago**. Last week USDA-FAS noted that export commitments to Hong Kong currently stand at 65,038 MT. At the current pace of exports, this represents a +60/wk. supply. One can speculate that the current trade status between US and mainland China has impeded the flow of product through this channel. For now exports to Hong Kong remain a drag but **a trade deal between US and China could spark a significant improvement given the level of export commitments already on the books**. Beef exports to Japan in April were 19,154 MT, 11% lower than a year ago and down 4% in the first four months of the year. Exports to Japan are expected to improve in the second half of the year on strong competition for Australian supplies and limited availability from other markets.

Pork export highlights: Despite all the talk of ASF and the potential for pork exports, **April shipments were once again below year ago levels**. Total exports of fresh/frozen and cooked pork in April were 176,941 MT, 7,549 MT or 4.1% lower than a year ago. Exports to a number of markets were higher. **Shipments to China** (more on this below) were 16,838 MT, 2,375 MT or **16.4% higher than a year ago**. Higher pork prices in Europe and Brazil have bolstered demand for US pork in other markets. Exports to Australia were 10,050 MT, 60% higher than a year ago, and exports to Colombia at 10,423 MT were 43% higher than last year. **The biggest drag for US exports in April was Mexico**. This remains the biggest pork export market for the US and shipments for the month were 44,005 MT, 22,680 MT or **34% lower than a year ago**. The decline was largely a function of higher prices in the US market and the ongoing tariff on US pork in that country. Now that the tariff has been removed, we would expect exports to this market to improve. But keep in mind that US pork prices are significantly higher and this could ration the amount of pork that will flow into Mexico in the second half of the year. We also wanted to highlight (again) the big discrepancy between US official export data to China vs. what is reported in the weekly export update from USDA-FAS. The chart to the right illustrates the problem. For much of 2017 and 2018 China exports reported by USDA-FAS were minimal relative to the volume reported by US Census. And yet, this year the volume reported by USDA-FAS is surpassing the Census statistics even as the FAS numbers are supposed to only be a subset. We have always been told that the Census data is the official number. So **are weekly exports overstating the case?** We don't know and makes no sense to speculate but it is a discrepancy that bears noting and deserves further scrutiny.

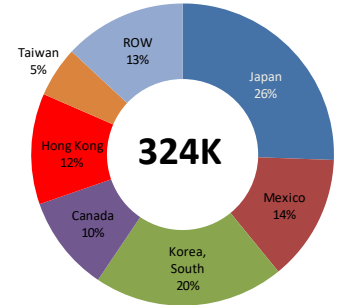
TOP MARKETS FOR US BEEF IN 2019

Total Volume and Country Shares for Period Jan - Apr 2019, MT



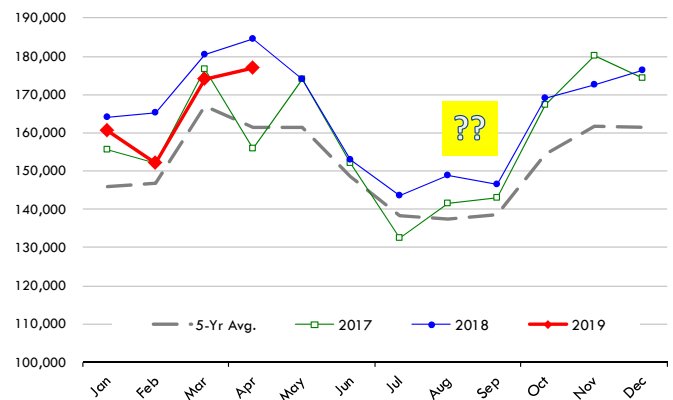
TOP MARKETS FOR US BEEF IN 2018

Total Volume and Country Shares for Period Jan - Apr 2018, MT



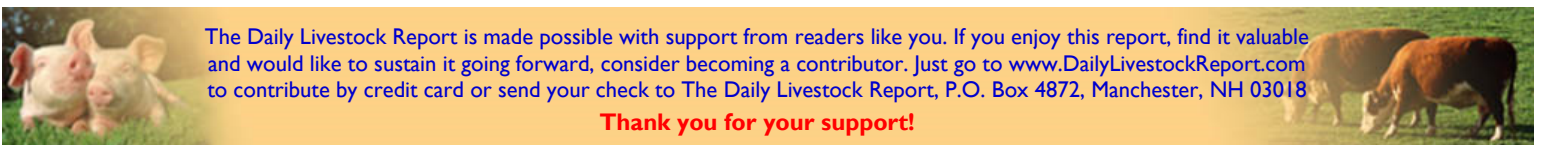
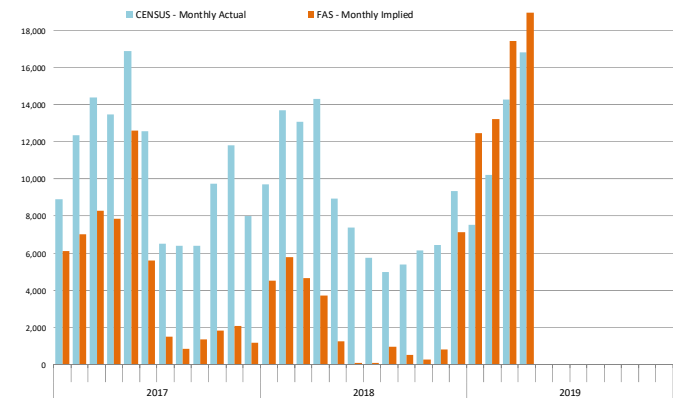
Quantity of US Exports of Fr/Frz/Cooked Pork: World Total

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



Official Census Exports to China vs. Monthly Exports Implied from USDA-FAS Weekly Export Report. Metric Ton

Source: USDA-FAS. Calculations by Steiner Consulting



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.

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.