

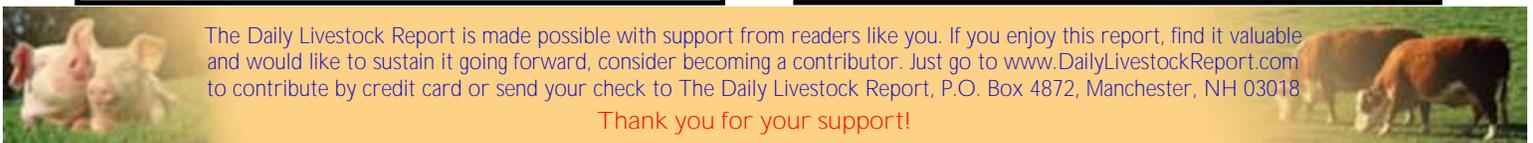
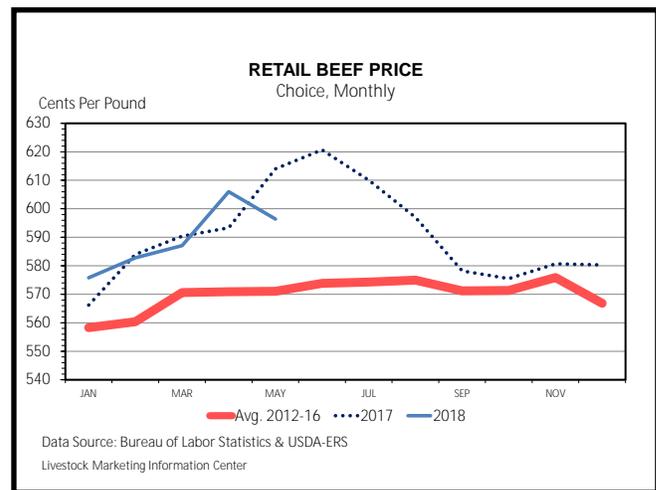
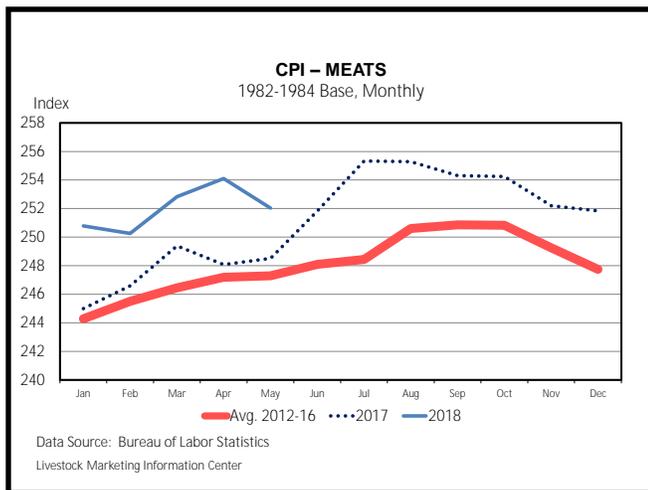
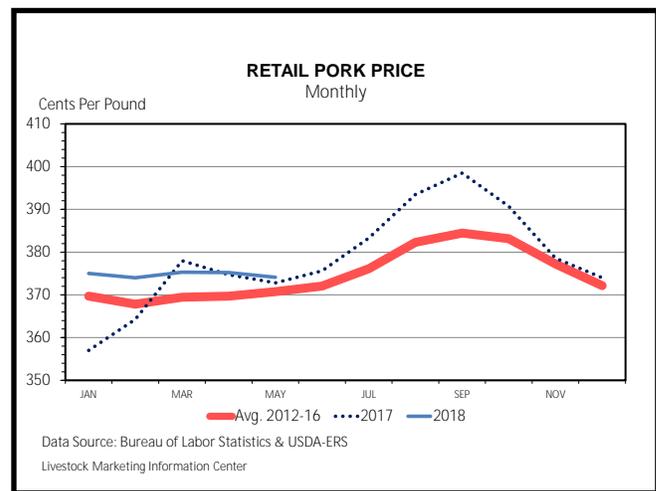
USDA's Office of the Chief Economist released their monthly World Agricultural Supply and Demand Estimates (WASDE) report yesterday (the full publication is available [here](#)). Also, yesterday the monthly Consumer Price Index (CPI) was released. Based on those data, USDA's Economic Research Service (ERS) calculated their monthly retail meat and poultry prices for May (the data available [here](#)).

In the WASDE forecasts for 2018, U.S. beef production was reduced by 0.3% from the prior month's, and pork was lowered by 0.2%. Underlying the beef change was cattle dressed weight, which has been lower than expected. Still, 2018's U.S. beef and pork output are anticipated by USDA to be above a year ago by 3.6% and 4.4%, respectively. For 2019, compared to last months forecasts, WASDE meat and poultry U.S. production numbers were unchanged.

Regarding international meat trade, the only significant WASDE change was increasing U.S. pork export tonnage by 1.3% (up by 75 million pounds). They also raised 2019's forecast for pork exports by 0.6% (40 million pounds), surging foreign sales to a new all-time high of 6.165 billion pounds. If realized, U.S. pork exports (meat only, not including variety meats) would be 22.3% of production. It is important to note that USDA forecasts are based on current known domestic and foreign policy and tariffs. So, for example, USDA did not incorporate prospects of retaliation to U.S. intentions to establish additional tariffs on Chinese products.

Data collected by the Bureau of Labor Statistics to calculate the CPI showed that overall meat prices in May were below

April's, but remained above a year ago and were higher than the prior 5-year average. The ERS calculated retail pork price for May was about unchanged from last month's and a year ago (see graphic below). In contrast, the calculated Choice beef price declined both month-over-month and year-over-year (see the third graphic). That year-over-year drop was 2.9% or about 19 cents per pound. Besides a Choice retail beef price, the ERS also calculates a All Fresh price, which includes Select grade products and hamburger. The All Fresh price was down 8 cents per pound from April's but was slightly above a year ago (increase of about 5 cents per pound).



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](http://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](http://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.