Daily Livestock Report

Vol. 15, No. 134 / July 9, 2018

USDA released the official May trade statistics on Friday. Below is a brief recap of the highlights for beef, pork and chicken exports for the month.

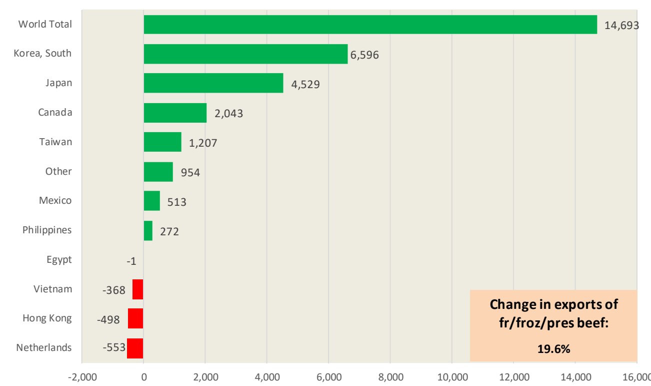
- **Total US shipments of fresh/frozen/cooked beef and veal in May were 89,823 MT, 19.6% higher than the previous year**. The increase in beef exports was due to both more beef available in the US market but also continued strong demand from a number of markets, particularly in Asia. The best evidence of this strong demand is the fact that **the value of exports in May was up 27.6% compared to a year ago**. International buyers bought more US beef and paid higher prices than they did last year. Exports to South Korea in May were 19,736 MT, a 50% increase compared to a year ago. Robust economic growth has bolstered consumer demand in that market. Also keep in mind that tariffs on US beef in Korea have been lowered thanks to the Korea-US Free Trade Agreement. Japan remains the top market for US beef exports, with May exports at 25,735 MT, 21% higher than a year ago. Exports to Mexico for the month were 11,632 MT, 5% higher than last year while exports to Canada at 9,875MT were 26% higher than a year ago. Weekly export data indicates that we should see double digit increases in US beef exports in June as well.

Pork exports presented a mixed picture in May. While shipments to a number of markets were higher, those increases were offset by a sharp reduction in exports to China. Total US exports of fresh/frozen/cooked pork in May were 174,079 MT, almost exactly the same as last year. Similar to beef, pork exports to South Korea have exploded and, at 21,102 MT, were 40% higher than a year ago. The value of US pork exports to South Korea was $59.6 million, 41% higher than a year ago. **Pork exports to Mexico in May were 59,308 MT, 5.6% higher than a year ago**. Mexico is the largest market for US pork and hams make up much of the pork currently going into that market. The gains in exports to these markets were offset by the sharp decline in exports to China. Shipments to the Chinese market in May were 9,187 MT, 46% lower than a year ago. Exports to Hong Kong at 1,378 MT were also down 65% from last year. Hard as it is to imagine, we think exports to China in June are going to show even more dramatic declines as US pork in China faces steep tariffs. Variety meat exports were lower in May. Total shipments of pork variety meats for the month were 37,762 MT, 11.6% lower than a year ago. Shipments to China were 9,071 MT, 37% lower than a year ago. The export value of pork variety meats in May was down 16% compared to a year ago.

US exports of fresh/frozen chicken in May were lower. Total exports for the month were 240,791 MT, 4.2% lower than a year ago. Mexico is the top market for US chicken and shipments in May were 51,858 MT, 8% lower than a year ago. Shipments were briefly disrupted due to an outbreak of Newcastle disease in a backyard flock in California. We think exports are back on track at this time. Exports to markets in the Middle East and Central Asia have also declined sharply in recent months. On the other hand we continue to see very robust growth in exports to the Caribbean and Central America.

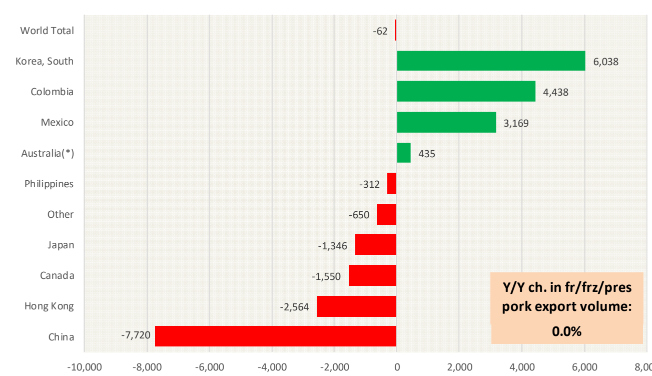
Y/Y Ch. in May. 18 vs. May 17 US Beef and Veal Export Volume

Source: USDA/FAS Units: Metric Tons



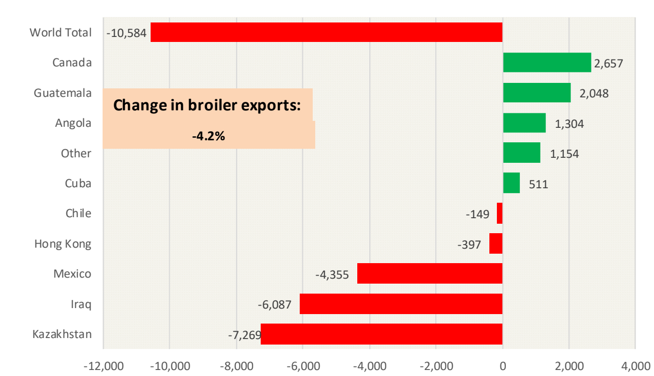
Y/Y Ch. in May. 18 vs. May 17 US Fr, Froz & Pres Pork Export Volume

Source: USDA/FAS Units: Metric Tons



Y/Y Ch. in May. 18 vs. May 17 US Fresh/Frozen Broiler Meat Exports

Source: USDA/FAS Units: Metric Tons



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PRODUCTION & WKLY AVG. PRICE SUMMARY — Week Ending 7/7/2018

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
			7-Jul-18	30-Jun-18		8-Jul-17			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,759**	**1,877**	-6.30%	**1,722**	2.15%	**49,028**	1.8%
	FI Slaughter	Thou. Head	562	646	-13.00%	547	2.75%	16,622	3.0%
C	FI Cow Slaughter **	Thou. Head	113	117	-3.03%	110	3.33%	2,947	7.5%
T	Avg. Dressed Weight	Lbs.	802	799	0.38%	811	-1.11%	810	0.4%
T	Beef Production	Million Lbs.	449.5	514.9	-12.70%	443.0	1.47%	13,469	3.4%
L	Live Fed Steer Price	$ per cwt	110.00	106.87	2.93%	117.58	-6.45%		
E	Dressed Fed Steer Price	$ per cwt	N/A	169.90	NA	188.18	N/A		
	Oklahoma Steer (600-700 lbs)	$ per cwt	145.43	155.36	-6.39%	N/A	N/A		
&	Choice Beef Cutout	$ per cwt	209.65	215.00	-2.49%	221.09	-5.17%		
	Hide/Offal	$ per cwt, live wt	9.48	9.58	-1.04%	11.87	-20.13%		
B	Rib Primal, Choice	$ per cwt	329.36	343.03	-3.99%	338.89	-2.81%		
E	Round Primal, Choice	$ per cwt	161.26	160.70	0.35%	182.01	-11.40%		
E	Chuck Primal, Choice	$ per cwt	164.70	166.72	-1.21%	174.25	-5.48%		
F	Trimmings, 50%	$ per cwt	63.25	62.66	0.94%	100.80	-37.25%		
	Trimmings, 90%	$ per cwt	220.92	221.12	-0.09%	232.24	-4.87%		
	FI Slaughter	Thou. Head	1,988	2,239	-11.21%	1,877	5.93%	62,535	2.8%
	FI Sow Slaughter **	Thou. Head	58.0	60.6	-4.28%	58.0	-0.06%	1,448	0.9%
H	Avg. Dressed Weight	Lbs.	210.0	211.0	-0.47%	208.0	0.96%	213	0.8%
O	Pork Production	Million Lbs.	416.1	471.3	-11.71%	389.8	6.75%	13,327	3.6%
G	Iowa-S. Minn. Base	Wtd. Avg.	78.60	77.33	1.64%	87.77	-10.45%		
S	Natl. Base Carcass Price	Wtd. Avg.	79.64	81.17	-1.88%	87.85	-9.35%		
	Natl. Net Carcass Price	Wtd. Avg.	82.13	83.61	-1.77%	90.45	-9.20%		
	Pork Cutout	205 Lbs.	86.07	87.30	-1.41%	104.38	-17.54%		
	Ham Primal	$ per cwt	58.03	63.14	-8.09%	76.42	-24.06%		
	Loin Primal	$ per cwt	81.40	83.01	-1.94%	94.99	-14.31%		
	Belly Primal	$ per cwt	165.48	156.43	5.79%	202.56	-18.31%		
	Trimmings, 72%, Fresh	$ per cwt	83.70	88.46	-5.38%	88.59	-5.52%		
	Hog By-Product Value	$ per cwt, live wt	3.91	3.96	-1.26%	4.08	-4.17%		
C	Young Chicken Slaughter *	Million Head	171.9	165.3	3.98%	168.5	2.03%	4,163	-0.7%
H	Avg. Weight (RTC)	Lbs.	4.60	4.72	-2.58%	4.66	-1.30%	6.17	0.8%
I	Young Chicken Production (RTC)	Million Lbs.	790.4	780.2	1.30%	784.9	0.70%	19,523	0.0%
C	Eggs Set (19-state)	Million	230.0	230.6	-0.28%	223.7	2.82%	5,944	2.6%
K	Chicks Placed (19-state)	Million Head	187.4	189.0	-0.85%	184.5	1.55%	4,771	1.4%
E	National Composite Whole Bird	Composite	114.31	116.34	-1.74%	108.13	5.72%		
	Northeast Breast, B/S	$/cwt	134.9	123.44	9.28%	163.05	-17.26%		
	Northeast Leg Quarters	$/cwt	34.11	33.95	0.47%	42.9	-20.49%		
T	Total Turkey Slaughter *	Million Head	4.057	4.364	-7.03%	4.25	-4.54%	106.357	-1.2%
U	Avg. Weight (RTC)	Lbs.	25.39	25.39	0.01%	24.52	3.53%	31.67	-0.4%
R	Turkey Production (RTC)	Million Lbs.	103.0	110.8	-7.02%	104.2	-1.17%	2,710	-1.3%
K	National Hen (8-12 lb)	8-16 Lbs.	83.00	80.00	3.75%	101.50	-18.23%		
G	Corn, Omaha	$ per Bushel	3.32	3.31	0.30%	3.56	-6.74%		
R	Distillers Grain, Chicago	$ per Ton	155.00	157.50	-1.59%	100.00	55.00%		
A	Wheat, Kansas City (deliv.)	$ per Bushel	5.43	5.16	5.23%	5.05	7.52%		
I	Soybeans, Cntrl IL	$ per Bushel	8.39	8.57	-2.10%	9.80	-14.39%		
N	Soybn Meal 48%, Cntrl IL	$ per Ton	337.90	341.90	-1.17%	322.00	4.94%		

* Chicken & turkey slaughter. Production, egg sets 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.