Daily Livestock Report

Sponsored in part by CME Group

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While overall red meat and poultry exports were higher in May, pork exports were particularly strong, driven by robust demand from Mexico and a number of Asian markets. Below is a brief recap by species and also what the weekly export data implies for Jun/Jul.

Beef: Total exports of fresh/frozen and cooked beef in May were 75,150 MT, 3.8% higher than the previous year. When converted to carcass weight basis beef exports in May were up 3.2%. Exports to Japan in May were 21,206 MT, 11% higher than the same period a year ago. Beef exports to Hong Kong were up 29% and exports to Taiwan increased 23% from last year. Not all destinations showed growth, however. Exports to Mexico in May were down 3% following a 14% decline in April. For the year, however, beef exports to Mexico still are up 8% compared to the same period a year ago. Exports to South Kore also declined but that's because May 2016 beef exports to South Korea were particularly large. It will be interesting to see how exports to this market progress in the second half of the year. Last year Jul-Dec beef exports to South Korea were up 65% and matching those levels will be difficult. Beef exports to Canada remain weak, in part due to the exchange rate effect but also because Canadian producers are keeping more feeders domestically and bolstering domestic fed supplies. Exports to Canada were down 25% in May but still up about 8% for the year.

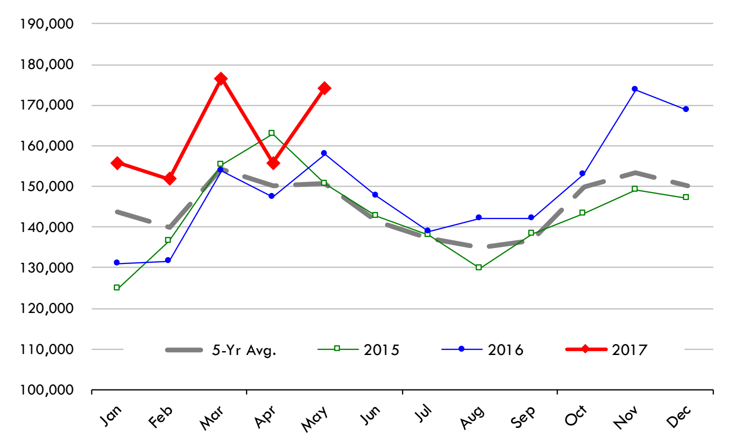
Weekly beef export trends so far have been quite positive and imply June shipments up about 10% from the previous year. If the current trend is maintained, it would also imply a 5.6% increase in July US beef exports.

Pork: While pork exports in May failed to surpass the record levels registered in March, they were close. Total shipments of fresh/frozen and cooked pork for the month were 174,245 MT, 10.3% higher than a year ago. March exports were 176,574 MT. Year to date pork exports are up 10.3% compared to last year's levels. Mexico remains by far the top destination for US pork and also its most significant source of export growth. May exports to Mexico were 56,101 MT, 21.7% higher than a year ago. Exports to Japan in May were 34,743 MT, 12.7% above last year while exports to South Korea, at 15,041 MT, were 51.5% larger than a year ago. The most significant drag for US pork exports in the last two months has been China. Last year exports to China were particularly strong in April and May but they have pulled back recently. Pork shipments to the Chinese market in May were 16,907 MT, down 37.8% compared to a year ago.

So far weekly export data has proved to be a relatively good indicator for monthly shipments. We had been projecting May exports to be up 12% based on the weekly data and the official results came fairly close to that number. Weekly exports have been indicating a notable slowdown in exports for June and early July. Still, based on weekly shipments June exports are currently projected to be up 2.7% compared to a year ago and if the trend is maintained July exports are projected to be up 4.1%. Our working assumption is that US pork exports will continue to expand in the fall, thanks to ample pork supplies and much more competitive pricing relative to the EU.

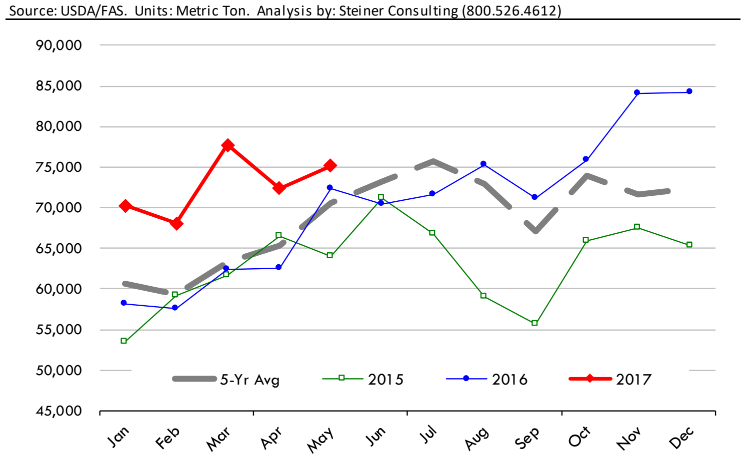
US Exports of Fr/Frz/Cooked Pork: World Total

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



US Exports of Fr/Frz/Pres Beef: World Total

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



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PRODUCTION & WKLY AVG. PRICE SUMMARY   Week Ending   7/8/2017

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
			8-Jul-17	1-Jul-17		9-Jul-16			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,710**	**1,827**	-6.38%	**1,657**	3.22%	**48,143**	2.0%
	FI Slaughter	Thou. Head	546	638	-14.42%	514	6.27%	16,142	5.8%
C	FI Cow Slaughter **	Thou. Head	110	111	-1.47%	97	13.14%	2,741	2.9%
T	Avg. Dressed Weight	Lbs.	801	799	0.25%	820	-2.32%	806	-1.7%
T	Beef Production	Million Lbs.	436.1	508.5	-14.24%	420.9	3.61%	13,017	4.0%
L	Live Fed Steer Price	$ per cwt	117.52	118.64	-0.94%	120.02	-2.08%		
E	Dressed Fed Steer Price	$ per cwt	187.87	189.95	-1.10%	190.80	-1.54%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	N/A	163.79	N/A	151.00	N/A		
&	Choice Beef Cutout	$ per cwt	221.09	230.64	-4.14%	209.33	5.62%		
	Hide/Offal	$ per cwt, live wt	11.87	11.86	0.08%	11.27	5.32%		
B	Rib Primal, Choice	$ per cwt	338.89	367.84	-7.87%	318.01	6.57%		
E	Round Primal, Choice	$ per cwt	182.01	186.06	-2.18%	165.29	10.12%		
E	Chuck Primal, Choice	$ per cwt	174.25	179.63	-3.00%	156.06	11.66%		
F	Trimmings, 50%	$ per cwt	100.80	111.49	-9.59%	91.55	10.10%		
	Trimmings, 90%	$ per cwt	232.24	231.84	0.17%	217.54	6.76%		
	FI Slaughter	Thou. Head	1,849	2,185	-15.38%	1,827	1.22%	60,804	2.7%
	FI Sow Slaughter **	Thou. Head	58.0	58.3	-0.49%	49.4	17.51%	1,436	1.0%
H	Avg. Dressed Weight	Lbs.	208.0	209.0	-0.48%	210.0	-0.95%	212	-0.5%
O	Pork Production	Million Lbs.	385.1	457.3	-15.79%	382.5	0.68%	12,866	2.2%
G	Iowa-S. Minn. Base	Wtd. Avg.	87.82	87.11	0.82%	78.07	12.49%		
S	Natl. Base Carcass Price	Wtd. Avg.	88.09	86.92	1.35%	79.96	10.17%		
	Natl. Net Carcass Price	Wtd. Avg.	90.57	89.67	1.00%	82.56	9.70%		
	Pork Cutout	205 Lbs.	104.38	102.49	1.84%	89.58	16.52%		
	Ham Primal	$ per cwt	76.42	74.12	3.10%	80.33	-4.87%		
	Loin Primal	$ per cwt	94.99	94.29	0.74%	86.51	9.80%		
	Belly Primal	$ per cwt	202.56	193.37	4.75%	132.69	52.66%		
	Trimmings, 72%, Fresh	$ per cwt	88.75	90.68	-2.13%	76.08	16.65%		
	Hog By-Product Value	$ per cwt, live wt	4.08	4.10	-0.49%	4.06	0.49%		
C	Young Chicken Slaughter *	Million Head	168.5	163.9	2.78%	163.8	2.86%	4,193	1.3%
H	Avg. Weight (RTC)	Lbs.	4.66	4.57	2.00%	4.59	1.49%	6.13	-0.4%
I	Young Chicken Production (RTC)	Million Lbs.	784.9	748.7	4.83%	751.8	4.40%	19,515	0.9%
C	Eggs Set (19-state)	Million	214.1	214.6	-0.25%	207.1	3.39%	5,549	2.2%
K	Chicks Placed (19-state)	Million Head	176.3	175.8	0.27%	174.5	1.01%	4,516	1.4%
E	National Composite Whole Bird	Composite	108.13	107.97	0.15%	94.38	14.57%		
	Northeast Breast, B/S	$/cwt	163.05	163.31	-0.16%	135.89	19.99%		
	Northeast Leg Quarters	$/cwt	42.9	44.05	-2.61%	34.13	25.70%		
T	Total Turkey Slaughter *	Million Head	4.250	4.542	-6.43%	4.148	2.46%	107.673	-1.3%
U	Avg. Weight (RTC)	Lbs.	24.52	24.72	-0.80%	24.52	0.01%	31.79	2.0%
R	Turkey Production (RTC)	Million Lbs.	104.2	112.3	-7.18%	101.7	2.47%	2,746	0.4%
K	National Hen (8-12 lb)	8-16 Lbs.	101.50	98.50	3.05%	121.75	-16.63%		
G	Corn, Omaha	$ per Bushel	3.56	3.32	7.23%	3.16	12.66%		
R	Distillers Grain, Chicago	$ per Ton	100.00	100.00	0.00%	167.50	-40.30%		
A	Wheat, Kansas City (deliv.)	$ per Bushel	5.05	4.91	2.85%	3.75	34.67%		
I	Soybeans, Cntrl IL	$ per Bushel	9.80	9.15	7.10%	10.46	-6.31%		
N	Soybn Meal 48%, Cntrl IL	$ per Ton	322.00	296.40	8.64%	373.70	-13.83%		

* 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.