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CME Holiday Hours: Livestock futures will have normal trading hours today. Livestock trading will be closed on Monday, September 4 in observance of the Labor Day Holiday. Trading will resume with normal hours on Tuesday. [Full Schedule here.](#)

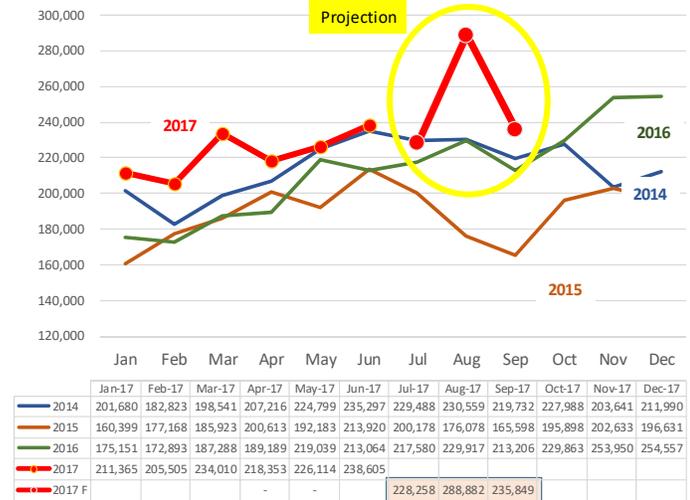
Latest weekly trade data and implications for the fall market

Next week USDA will release the export data for July but market participants already are looking past that, trying to assess the level of export demand going into the fall market. Based on July weekly exports, our initial expectation is that pork exports for July were down from a year ago, probably in the area of 3-5% while beef exports continued to expand relative to last year's levels. It should not be a surprise that pork exports were lower. Prices for a number of items were notably higher during the month and pork production growth was notably lower than earlier expected. On the other hand, the rapid increase in cattle slaughter and lower prices appear to have bolstered beef sale. But what can we infer about August and September exports based on sales/shipments so far this month? Beef exports have been particularly strong in recent weeks. For week ending August 24 weekly exports were 21,432 MT, 56% higher than a year ago and the largest weekly export volume so far this year. **For the last four weeks, beef exports have averaged 16,730 MT/wk., 18.2% higher than the same period a year ago.** Assuming the weekly export data is correct, this could put beef exports for the month of August at 288.9 million pounds (carcass wt. basis), a 59 million pound increase from the previous year. The increase appears quite dramatic and somewhat difficult to believe. At this point we are reluctant to assume that this level of exports will be sustained in September. The projection in the chart is based on the expectation that weekly shipments in September will hover around 15k MT per week. But even at those levels, beef exports would be on track for a 10% increase (+22.6 million pounds cwe) vs. September 2016.

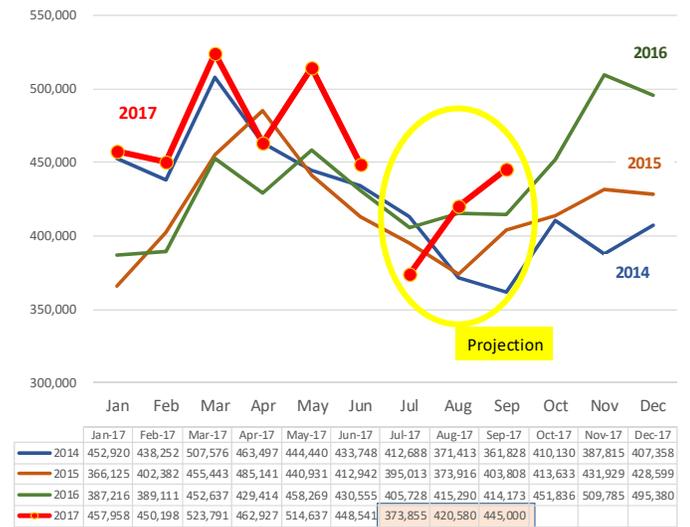
Bottom line: Robust beef exports continue to support the beef market going into the fall. Lower fed cattle prices and continued good demand from Asian markets, particularly Japan and Hong Kong have contributed to the growth of US beef exports. Going forward, there is a lot of speculation about the potential that the Chinese market holds for US beef. China beef demand has exploded in recent years and that market is expected to continue to grow as consumer diets in large urban centers become more westernized. However, there are significant short term challenges for US beef in this market: strict regulations prohibiting imports of beef treated with synthetic hormones, traceability to birth farm, and a ban on feeding beta-agonist growth promotants. It remains to be seen how quickly, if at all, US producers will respond to such requirements over time.

Weekly pork exports indicate that shipments in July were under year ago levels. Exports for the week ending August 24 were 18,823 MT, about the same as a year ago. In the last four weeks pork exports have averaged 1% under what they were last year. Based on current trends, we think exports in August could be around 421 million pounds, about 1.5% higher than a year ago. Net sales for the latest week were 25,894 MT, however. Assuming weekly exports in the 22,500 MT area for September would imply export growth of around 7.5% from a year ago (+30 million lb.). Net sales appear to indicate we could get there but it remains to be seen if those expectations are reflected in the actual shipment data.

MONTHLY BEEF EXPORTS. ALL BEEF/VEAL EXPORTS. CARCASS WT. BASIS. MIL LB.
Source: USDA. Projection Based on Weekly USDA Export Data & Historical Relationships



MONTHLY US PORK EXPORTS. CARCASS WT. BASIS. MILLION POUNDS
Source: USDA. Projections Based on Weekly USDA Reported Export Data & Historical Relationships



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