Daily Livestock Report

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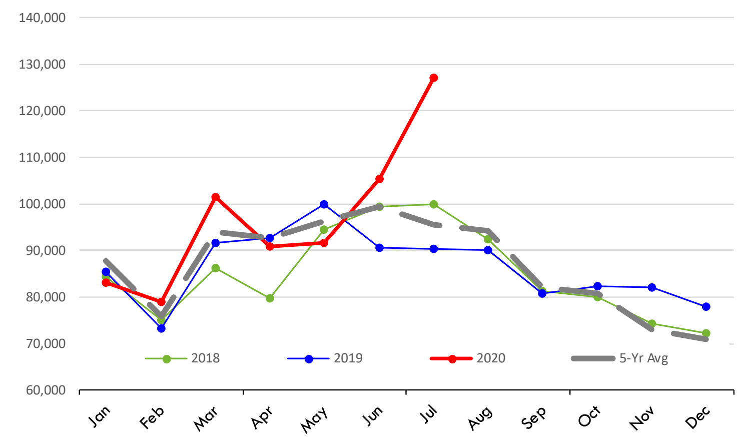
US official trade data for July were released at the end of last week and today we will focus on what they showed for beef, both in terms of product going to export markets as well as product coming into the US. We will touch on pork tomorrow, especially as China demand remains a key factor for the market this fall. Below is a brief recap of key highlights on beef trade:

- Weekly data suggested that there was a big surge in US beef imports this summer and July official statistics confirmed that. **Total imports of fresh/frozen and cooked beef were 127,174 MT, 40.7% higher than a year ago. Imports from all markets were higher as strong prices in the US market and a slowdown in China demand encouraged world traders to focus on the US market**. By far the biggest increase was in imports from New Zealand. Total imports for the month were 26,203 MT, almost double what they were a year ago. There has been a significant decline in New Zealand exports to China this year, with Chinese buyers sourcing the bulk of their needs from South America. Some of this likely reflects the price difference between Oceania and South American product. But at least in the case of Australia, the decline in Chinese purchases reflects political calculations as well. US imports from Central and South America were also higher. Imports from Argentina (included in the 'other' category in the chart, were 2,746 MT vs. almost nothing a year ago. Argentina has access only to 20,000 MT of country specific quota and at this time it appears much of that quota has been allocated even as some of that product has yet to arrive. Similarly, imports from Brazil were 7,800 MT in July, about 141% higher than a year ago. Brazil ships both fresh/frozen (3,437 MT) and processed (4,363 MT) to the US. Fresh shipments are expected to increase but they enter using the quota available to countries that do not have a specific quota. That limits in-quota shipments to a maximum of a little less than 65,000 MT, a relatively small amount in the big scheme of US beef consumption. At this point it does not appear that either Argentina or Brazil are willing to ship product out of quota and pay the additional 26.4% tariff.

- **US beef exports rebounded in July as cattle slaughter slowly recovered from COVID disruptions in April and May**. Total exports of fresh/frozen and processed beef in July were 83,536 MT, 6.9% lower than a year ago but up 38% compared to June. Most of the year over year decline was due to less beef going to the Mexican market. Exports to Mexico in July were 6,001 MT, down 52% compared to a year ago. Exports to smaller markets also took a hit, declining 17% compared to a year ago. Japan and South Korea remain the top markets for US beef and they remain critical for US exporters going forward. Exports to Japan in July were 23,781 MT, 1% lower than a year ago while exports to South Korea at 23,587 MT, 3% lower than last year. These two markets accounted for almost 57% of all US beef exports in July. Australia remains the main competitor in these two markets and Australian supplies are down significantly compared to a year ago. In recent weeks, Australian cattle slaughter is down by 30% and moisture conditions in the Southern Hemisphere spring are expected to be the best in a decade. This should create opportunities for US exporters for the remainder of the year.

Quantity of US Imports of Fr/Frz/Pres Beef: World Total

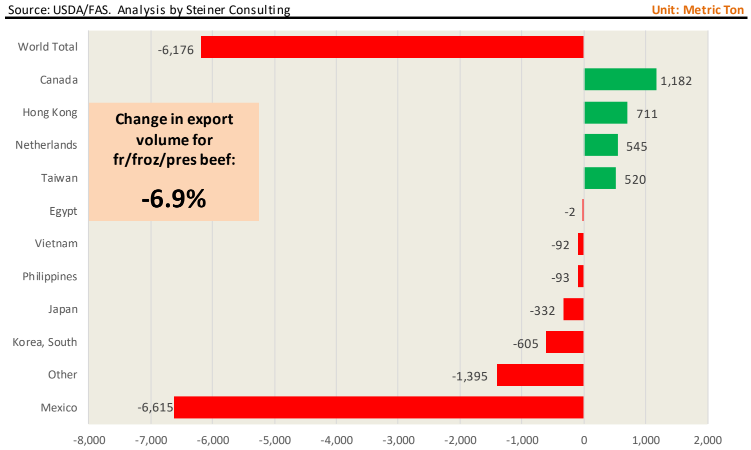
Source: USDA/FAS. Units: Metric Ton. Analysis by: Steiner Consulting (800.526.4612)



Y/Y Ch. in Jul. 20 vs. Jul 19 US Beef and Veal Export Volume

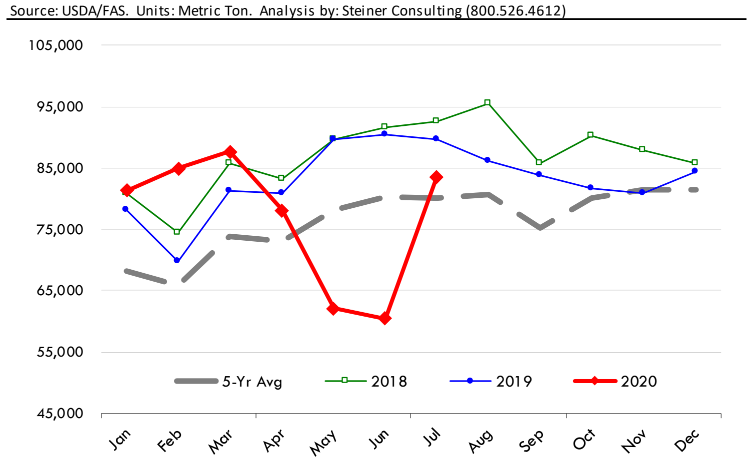
Source: USDA/FAS. Analysis by Steiner Consulting

Unit: Metric Ton



Quantity of US Exports of Fr/Frz/Pres Beef & Veal: 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 9/5/2020

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
			5-Sep-20	29-Aug-20		7-Sep-19			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,981**	**2,039**	-2.82%	**1,884**	5.13%	**67,725**	0.7%
	FI Slaughter	Thou. Head	633	654	-3.21%	571	10.85%	21,626	-4.4%
C	FI Cow Slaughter **	Thou. Head	115	113	1.93%	121	-4.75%	4,073	-0.8%
T	Avg. Dressed Weight	Lbs.	835	835	0.00%	818	2.08%	827	2.8%
T	Beef Production	Million Lbs.	527.3	544.6	-3.18%	466.3	13.08%	17,887	-1.8%
L	Live Fed Steer Price	$ per cwt	103.18	105.09	-1.82%	101.73	1.43%		
E	Dressed Fed Steer Price	$ per cwt	163.11	166.53	-2.05%	165.83	-1.64%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	146.30	150.06	-2.51%	N/A	N/A		
&	Choice Beef Cutout	$ per cwt	227.39	229.91	-1.10%	229.51	-0.92%		
	Hide/Offal	$ per cwt, live wt	7.88	7.82	0.77%	9.18	-14.16%		
B	Rib Primal, Choice	$ per cwt	373.69	376.94	-0.86%	364.97	2.39%		
E	Round Primal, Choice	$ per cwt	179.09	181.51	-1.33%	189.99	-5.74%		
E	Chuck Primal, Choice	$ per cwt	179.14	180.01	-0.48%	183.44	-2.34%		
F	Trimmings, 50%	$ per cwt	43.10	45.04	-4.31%	87.20	-50.57%		
	Trimmings, 90%	$ per cwt	225.28	226.01	-0.32%	224.81	0.21%		
	FI Slaughter	Thou. Head	2,484	2,657	-6.51%	2,217	12.02%	87,438	1.7%
	FI Sow Slaughter **	Thou. Head	67.0	63.1	6.14%	55.4	20.81%	2,174	11.9%
H	Avg. Dressed Weight	Lbs.	211.0	211.0	0.00%	210.0	0.48%	215	0.8%
O	Pork Production	Million Lbs.	524.1	560	-6.41%	466.5	12.35%	18,763	2.5%
G	Iowa-S. Minn. Base	Wtd. Avg.	44.26	42.45	4.26%	53.81	-17.75%		
S	Natl. Base Carcass Price	Wtd. Avg.	57.45	56.75	1.23%	65.62	-12.45%		
	Natl. Net Carcass Price	Wtd. Avg.	59.84	59.08	1.29%	67.84	-11.79%		
	Natl. Early Wean Feeder	Wtd. Avg.	25.86	24.99	3.48%	33.07	-21.80%		
	Pork Cutout	205 Lbs.	76.28	73.09	4.36%	73.01	4.48%		
	Ham Primal	$ per cwt	67.46	57.30	17.73%	58.50	15.32%		
	Loin Primal	$ per cwt	68.93	71.51	-3.61%	71.60	-3.73%		
	Belly Primal	$ per cwt	119.68	110.57	8.24%	108.48	10.32%		
	Trimmings, 72%, Fresh	$ per cwt	79.55	80.07	-0.65%	62.94	26.39%		
	Hog By-Product Value	$ per cwt, live wt	4.03	3.79	6.33%	3.56	13.20%		
C	Young Chicken Slaughter *	Million Head	169.1	171.1	-1.12%	177.9	-4.93%	5,746	-0.3%
H	Avg. Weight (RTC)	Lbs.	4.83	4.89	-1.24%	4.76	1.60%	6.29	1.7%
I	Young Chicken Production (RTC)	Million Lbs.	817.5	837.2	-2.35%	846.4	-3.42%	27,446	1.4%
C	Eggs Set (19-state)	Million	231.9	231.4	0.22%	230.9	0.46%	8,168	0.7%
K	Chicks Placed (19-state)	Million Head	185.8	183.9	1.06%	189.4	-1.88%	6,511	-0.2%
E	National Composite Whole Bird	Composite	63.98	63.82	0.25%	76.08	-15.90%		
	Northeast Breast, B/S	$/cwt	102.01	110.12	-7.36%	99.09	2.95%		
	Northeast Leg Quarters	$/cwt	24.15	24.82	-2.70%	41.47	-41.77%		
T	Total Turkey Slaughter *	Million Head	4.523	3.909	15.71%	4.163	8.65%	139.735	-0.9%
U	Avg. Weight (RTC)	Lbs.	24.80	24.77	0.13%	25.27	-1.84%	32.29	-1.2%
R	Turkey Production (RTC)	Million Lbs.	112.2	96.8	15.85%	105.2	6.65%	3,629	-1.9%
K	National Hen (8-12 lb)	8-16 Lbs.	112.87	113.57	-0.62%	91.38	23.52%		
G	Corn, Omaha	$ per Bushel	3.36	3.32	1.20%	3.59	-6.41%		
R	Soybeans, Cntrl IL	$ per Bushel	9.69	9.45	2.54%	8.38	15.63%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	305.60	295.70	3.35%	293.20	4.23%		
I	Distillers Grain, IL	$ per Bushel	157.50	152.00	3.62%	143.50	9.76%		

* 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.