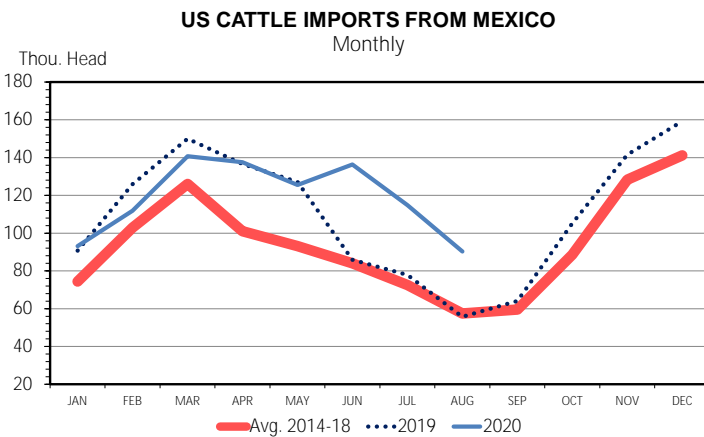


USDA Foreign Agricultural Service (FAS) released trade data for the month of August yesterday through the Global Agricultural Trade System (GATS). The GATS meat trade data is released on a product weight basis with USDA Economic Research Service releasing meat trade data on a carcass weight basis tomorrow. This DLR will focus on cattle and hog trade data.

U.S. hog imports are almost entirely from Canada. In August, total hog imports were 416,721 head, 1.3% higher than a year ago. Year-to-date through August, hog imports are down marginally (-0.3%) to 3.37 million head. Historically, the majority of hogs imported from Canada weigh less than 50 kg. This year is following a similar trend with 84% of the hogs imported through August fitting into this category. In the first eight months of 2020, just over 2.8 million hogs have been imported weighing less than 50kg, this is down 1.4% from the same period in 2019. Most of the hogs will be destined for finishing operations in mid-western states.

Through August, total cattle imports were just over 1.4 million head, a 3.8% increase from the same timeframe a year ago. Canada and Mexico are the primary suppliers of cattle to the U.S. with each countries market share at 32.2% and 67.8%, respectively. Canada typically ships a higher proportion of

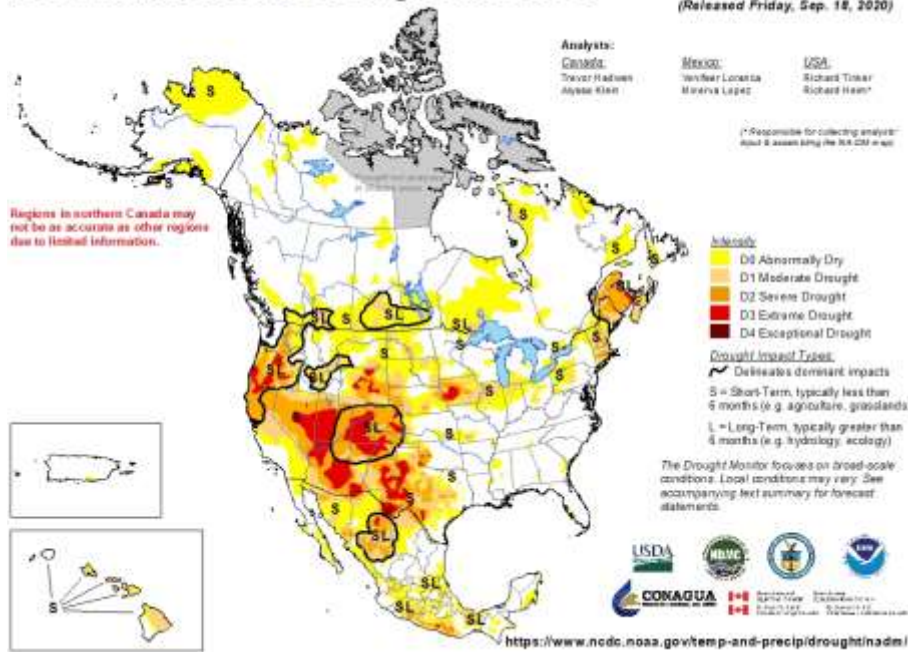


Data Source: USDA-ERS & USDA-FAS
Livestock Marketing Information Center

HN-03
09/09/20

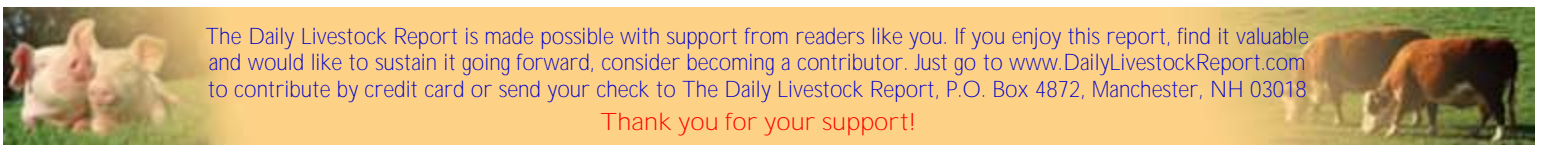
North American Drought Monitor

August 31, 2020
(Released Friday, Sep. 18, 2020)



slaughter-ready cattle while Mexico ships primarily feeder cattle. Imports from Canada have totaled 451,412 head through August, which is down 9.7% from last year. Through the first eight months of the year, 349,100 head of the cattle (77.3%) from Canada were classified for slaughter. Mexican cattle shipments to the U.S. were 950,112 head through August, up 11.8% from 2019. Most of these are feeder cattle destined for backgrounding operations or to feedlots in the Southern Plains of the U.S.

The most recent North American Drought Monitor map for August 31, 2020, is showing areas in western Canada that are classified as abnormally dry (D0) and moderate drought (D1). The northern part of Mexico in the states of Sonora, Chihuahua, and Coahuila are experiencing large areas classified as D0 and D1. In those three Mexican states, 8.24% of the area in drought is classified as Severe (D2) or Extreme drought (D3). No area in Mexico is classified as Exceptional drought (D4). Those D0 to D3 areas neighbor U.S. states that are experiencing similar drought conditions. Likely the drought conditions in northern Mexico have limited available feed supplies for producers leading them to ship more cattle to the U.S.



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 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.

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.