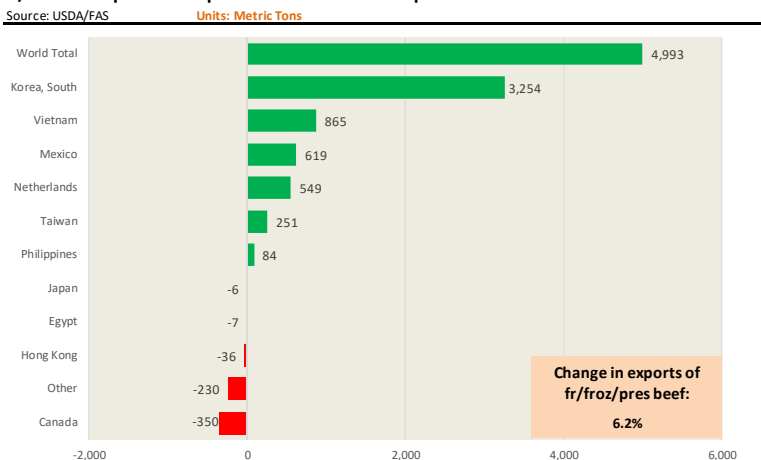


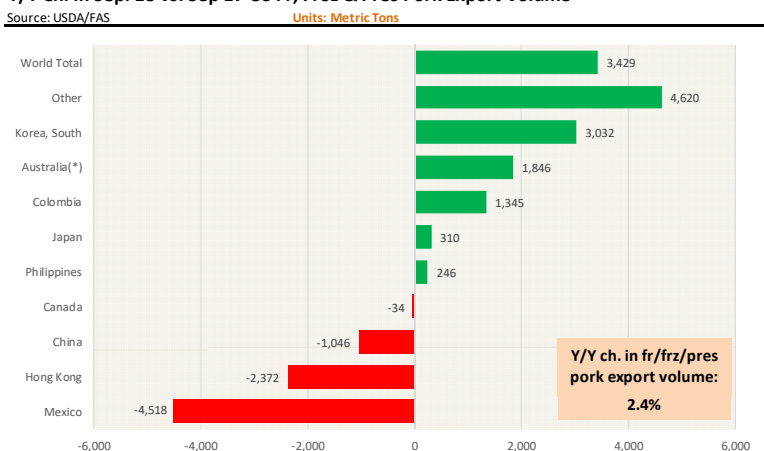
US beef exports continued to grow in September, albeit at a slower pace than in previous months. Total shipments of fresh/frozen and cooked beef for the month were 85,514 MT, about 5,000 MT or 6.2% higher than a year ago. Exports were higher in a number of markets but South Korea was by far the largest contributor to the increase. Demand for US beef has been very strong all year due to robust global economic growth and growing Chinese beef demand. As China now accounts for almost half of all South American exports, it has created opportunities for US beef in a number of markets. The value of US beef exports in September was \$613.1 million, 11.8% higher than a year ago. Exporting more volume at higher prices is textbook definition of stronger demand. US beef packers and exporters shipped some \$74 million worth of variety meats in September, 7.8% more than a year ago. More US beef going to export markets helps explain robust beef pricing trends, especially for steak cuts, briskets, short plates and some thin meats. **Beef imports in September were 81,425 MT, up about 2,800 MT or 3.6% than a year ago.** The increase was largely due to higher imports from Central and South America. Beef imports from Nicaragua were 5,986 MT, 2,231 MT or 59% higher than a year ago. Much of this was grinding beef. It appears that imports from Nicaragua have started to slow down, however. For the week ending October 27 US imports from Nicaragua were just 657 MT, half the pace of weekly imports in late August, September and early October. Imports from Brazil were 3,509 MT in September, 2,102 MT or 149% higher than a year ago. Because of the current ban on Brazilian fresh beef imports, all this volume is cooked beef. Beef imports from Australia were down 2% y/y, imports from New Zealand were down 23% and imports from Uruguay were down 15%.

Pork exports in September were higher than a year ago even as production declined by more than expected and Mexico purchased less pork than it did last year. Strong gains in smaller markets and robust demand in South Korea drove the volume gains. But one should not equate the 2.6% increase in export volume with strong demand. In order to maintain the export flows packers and exporters had to lower prices. The value of US exports of fresh/frozen and cooked pork in September was \$397.6 million, 3.5% lower than a year ago. Mexico was the top market for US pork in September, taking 48,246 MT of pork (product weight basis). This represented an 8.6% reduction compared to the previous year. The value of US pork exported to Mexico was \$77.3 million, 26% lower than a year ago. US pork faces a 20% tariff in Mexico and it appears US packers had to discount pork shipments accordingly in order to maintain product flows. Also, it is possible that exporters took advantage of very low prices in August in order to negotiate loads delivering during September. There is a lot of

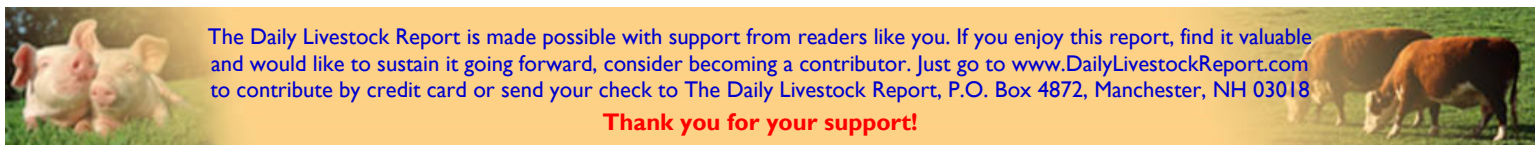
Y/Y Ch. in Sep. 18 vs. Sep 17 US Beef and Veal Export Volume



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



speculation at this time as to whether current tariffs on US pork will be lifted after the election. But for that to happen US tariffs on Mexican steel will also need to be lifted. In the meantime, US ham prices are significantly under year ago levels as US packers seek to adjust prices enough in order to offset the tariff and maintain the flow of product into the Mexican market. US exports of pork variety meats remain weak due to stiff tariffs in the Chinese market. Total variety meat shipments in September were 28,213 MT, 20% lower than last year. The value of US pork variety meat exports was \$43.6 million, 34% lower than a year ago.



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.

Daily Livestock Report

Sponsored by  **CME Group**

Vol. 16, No. 218 / November 5, 2018

PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending **11/3/2018**

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
		3-Nov-18	27-Oct-18		4-Nov-17			
Total Beef, Pork, Chicken, Turkey	mil lbs., cwe	1,977	1,982	-0.23%	1,944	1.71%	81,458	1.7%
C FI Slaughter	Thou. Head	643	633	1.58%	646	-0.42%	27,499	2.5%
T FI Cow Slaughter **	Thou. Head	126	121	3.65%	121	3.54%	4,958	7.2%
T Avg. Dressed Weight	Lbs.	827	831	-0.48%	829	-0.24%	815	0.3%
T Beef Production	Million Lbs.	530.6	524.8	1.11%	534.2	-0.67%	22,403	2.7%
L Live Fed Steer Price	\$ per cwt	113.68	113.81	-0.11%	123.53	-7.97%		
E Dressed Fed Steer Price	\$ per cwt	180.00	179.70	0.17%	191.99	-6.25%		
Oklahoma Steer (600-700 lbs)	\$ per cwt	N/A	155.14	N/A	165.32	N/A		
& Choice Beef Cutout	\$ per cwt	216.67	211.50	2.44%	206.83	4.76%		
Hide/Offal	\$ per cwt, live wt	9.05	9.02	0.33%	10.05	-9.95%		
B Rib Primal, Choice	\$ per cwt	403.11	395.29	1.98%	371.37	8.55%		
E Round Primal, Choice	\$ per cwt	177.49	172.84	2.69%	170.19	4.29%		
E Chuck Primal, Choice	\$ per cwt	172.24	168.68	2.11%	173.28	-0.60%		
F Trimmings, 50%	\$ per cwt	64.66	54.65	18.32%	73.64	-12.19%		
Trimmings, 90%	\$ per cwt	188.80	190.16	-0.72%	213.28	-11.48%		
H FI Slaughter	Thou. Head	2,593	2,561	1.25%	2,443	6.15%	103,494	2.3%
H FI Sow Slaughter **	Thou. Head	60.1	60.2	-0.19%	61.6	-2.40%	2,424	1.9%
H Avg. Dressed Weight	Lbs.	210.0	210.0	0.00%	212.0	-0.94%	211	0.3%
O Pork Production	Million Lbs.	545	538.8	1.15%	517.5	5.31%	21,861	2.6%
G Iowa-S. Minn. Base	Wtd. Avg.	58.54	57.62	1.60%	63.95	-8.46%		
S Natl. Base Carcass Price	Wtd. Avg.	62.73	63.35	-0.98%	66.96	-6.32%		
Natl. Net Carcass Price	Wtd. Avg.	64.76	65.57	-1.24%	69.09	-6.27%		
Pork Cutout	205 Lbs.	76.34	77.51	-1.51%	78.92	-3.27%		
Ham Primal	\$ per cwt	51.42	51.71	-0.56%	70.48	-27.04%		
Loin Primal	\$ per cwt	73.23	74.79	-2.09%	74.94	-2.28%		
Belly Primal	\$ per cwt	134.77	139.44	-3.35%	107.72	25.11%		
Trimmings, 72%, Fresh	\$ per cwt	48.35	52.37	-7.68%	60.55	-20.15%		
Hog By-Product Value	\$ per cwt, live wt	3.66	3.70	-1.08%	3.85	-4.94%		
C Young Chicken Slaughter *	Million Head	164.2	167.9	-2.20%	164.3	-0.06%	6,953	-0.1%
H Avg. Weight (RTC)	Lbs.	4.75	4.80	-1.11%	4.73	0.32%	6.19	0.9%
I Young Chicken Production (RTC)	Million Lbs.	780.0	806.5	-3.28%	778.0	0.26%	32,708	0.8%
C Eggs Set (19-state)	Million	219.0	213.8	2.46%	219.2	-0.07%	9,718	1.8%
K Chicks Placed (19-state)	Million Head	174.0	172.2	1.09%	174.4	-0.18%	7,854	1.2%
E National Composite Whole Bird	Composite	84.67	85.35	-0.80%	86.35	-1.95%		
Northeast Breast, B/S	\$/cwt	86.9	87.97	-1.22%	108.73	-20.08%		
Northeast Leg Quarters	\$/cwt	28.84	30.32	-4.88%	38.21	-24.52%		
T Total Turkey Slaughter *	Million Head	5.153	4.78	7.80%	4.886	5.46%	178,985	-0.3%
U Avg. Weight (RTC)	Lbs.	23.65	23.42	0.99%	23.44	0.91%	31.18	-0.9%
R Turkey Production (RTC)	Million Lbs.	121.9	111.9	8.87%	114.5	6.43%	4,487	-1.0%
K National Hen (8-12 lb)	8-16 Lbs.	79.64	84.00	-5.19%	88.35	-9.86%		
G Corn, Omaha	\$ per Bushel	3.38	3.31	2.11%	3.16	6.96%		
R Distillers Grain, Chicago	\$ per Ton	150.00	145.00	3.45%	120.00	25.00%		
A Wheat, Kansas City (deliv.)	\$ per Bushel	5.14	5.00	2.80%	3.69	39.30%		
I Soybeans, Cntrl IL	\$ per Bushel	8.28	7.95	4.15%	9.71	-14.73%		
N Soybn Meal 48%, Cntrl IL	\$ per Ton	316.40	307.80	2.79%	313.90	0.80%		

* 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.

The Daily Livestock Report is made possible with support from readers like you. If you enjoy reading this report and would like to sustain it going forward, consider becoming a contributor by going to our website: www.DailyLivestockReport.com

Thank you for your support!