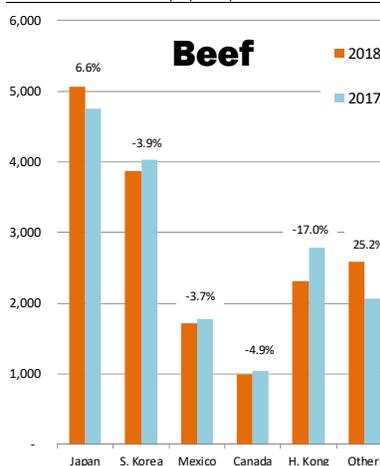


Notice: Some of the data we use to update the regular weekly price and production table was not available to us as of this writing. We will include the regular update in tomorrow's report.

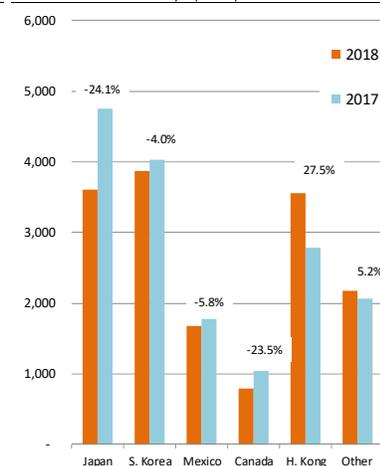
A major snow storm went through key livestock production regions over the weekend, causing significant disruption to the movement of product and livestock. It remains to be seen whether processing plants will be impacted by the snow and what effect this has on product and livestock prices. The snow and wind are negative for feedlot conditions and cattle performance. If plants have trouble getting deliveries and shipping product to customers this will also tend to limit overall slaughter and pressure beef and pork prices higher. However, it was fortuitous that the storm happened over the weekend, thus minimizing the logistic disruptions. The overall impact is thus fairly limited. In the short term, participants in the beef and cattle market will pay close attention to holiday demand in the domestic market and export sales trends. On those two counts, the data from last week was not particularly positive, offsetting in our mind the bullish implications of the cattle on feed and cold storage reports. Beef ribeye prices appear to have stalled and may be close to an annual top. There is a fair amount of beef located in warehouses along the US East Coast, we think in part due to more beef cuts that have been put away ahead of the holiday. End users will likely draw down some of those inventories and help keep middle meat prices in check. But to be sure, USDA does not tell us what kind of cuts are in cold storage so this is speculation at best. The price of bone-in lip-on ribeyes on Friday was \$7.90, down almost \$8/cwt compared to two weeks ago. The price of many end cuts at this point is under year ago levels. Beef is facing more competition from cheaper pork and chicken at retail and the trend in the value of end cuts will be critical for the beef cutout in January and February. Beef exports at this point are barely keeping pace with a year ago. In the last four weeks, exports of beef muscle cuts have averaged just 0.5% above year ago and beef export sales in the last four weeks are down 4.7% compared to last year. There is a big amount of beef outstanding sales to Hong Kong, far surpassing any other market. Given the current trade environment with China, will buyers there take delivery of this product? This remains to be seen. The amount of beef sales outstanding for next year is down 15% compared to the same period a year ago.

Hog slaughter last week was estimated at 2.273 million head, 5.6% higher than a year ago. Producers have managed to push more hogs to market in recent weeks, which has put some pressure on pork prices but has also helped keep hog supplies relatively current. The snow storms that hit the Midwest likely had only limited impact but at this time we await for more information on that. The next two weeks should see the highest slaughter levels of the year. The increase in

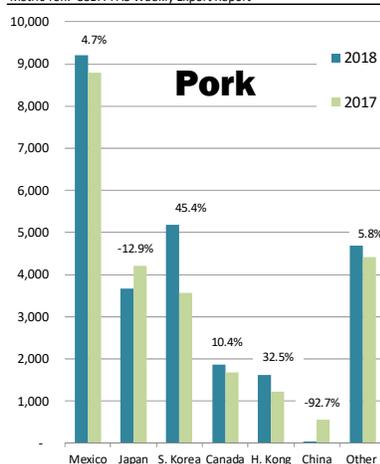
Weekly Exports: 4-wk Moving Average & Y/Y Change
Metric Ton. USDA-FAS Weekly Export Report



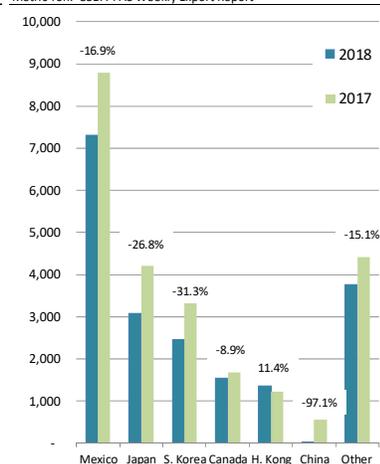
Net Sales CMY: 4-wk Moving Average & Y/Y Change
Metric Ton. USDA-FAS Weekly Export Report



Weekly Exports: 4-wk Moving Average & Y/Y Change
Metric Ton. USDA-FAS Weekly Export Report



Net Sales CMY: 4-wk Moving Average & Y/Y Change
Metric Ton. USDA-FAS Weekly Export Report



slaughter and higher outstanding pork sales have helped bolster export shipments in recent weeks. In the last four weeks exports of pork muscle cuts averaged 9.7% higher than a year ago. Exports for the week ending November 15 were 27,140 MT, the highest weekly export volume since this USDA program was put in place in 2013. **But it will not be possible to maintain the export pace if sales do not turn around. Net sales in the last four weeks are down 18.5% compared to last year. Outstanding sales to Japan are down sharply and outstanding sales to Mexico for next year are down 92%.**



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