Daily Livestock Report

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As promised on Friday, USDA's beef export data for July and year-to-date appear below . As can be seen, July was not a particularly good month with shipments amounting to 75,441 metric tons, 14.6% lower than one year ago. The value of those shipments, though, was down only fractionally from last year as prices made up for all of the shortfall in quantity. U.S. beef companies exported product worth $553.9 million during the month. July's exports brought year-to-date volume to 492,848 metric tons valued at $3.436 billion. Those figures are 2.2% and 13.1% higher, respectively, than one year ago. <u>Sharply higher prices and slightly larger export quantities clearly imply continued-strong demand for U.S. beef in international markets.</u>

Some highlights for July shipments to individual markets are:

- Japan continues to be our largest market in July, taking 22,668 metric tons, nearly 80% more product than number two market Canada but 10.4% less than in July 2013. As was the case for pork products, Japan remains far and away our number one market in terms of beff export value with July shipments being valued at $143.6 million. That figure was 4.9% higher than last year.
- Japan also leads the beef exports list for 2014 year-to-date. Shipments to Japan have totaled 116,963 metric tons valued at $717 million. Those numbers were 7.6% and 1.8%, respectively, lower than one year ago.
- Canada ranked second to Japan in terms of both the volume and value of beef exports in July but the July figures were sharply lower than one year ago. One reason for that decline is the steady decline of the Canadian dollar which has made U.S. product comparatively more expensive. The higher price in Canadian dollars is one factor in the year-to-date decline of 22% in shipments northward.
- Export volume to Mexico was down nearly 13% in July but the value of those shipments was up 5.7% and the year-to-date results for exports to Mexico remain very strong with volume up nearly 25% and value over 40% higher than last year.
- The most positive results across the board in the table are for Korea and Taiwan. Comparisons to 2013 for both July and year-to-date are positive for both volume and value for those two markets. Shipments to Taiwan were especially strong in July, gaining 82% versus one year ago for volume and nearly doubling in terms of value. Beef exports to Korea were up 19% in volume and 55% in value in July. Those percentage were quite close to the year-to-date comparisons as well.
- Russia, Vietnam and Egypt remain the biggest negatives for U.S. beef export this year. Most notable among them, though, is Russia in that shipments there are down even from the near-zero levels of 2013.

BOTTOM LINE: U.S. beef exports have performed remarkably well in terms of tonnage as domestic prices have reached and remained at all-time highs. USDA's Foreign Agricultural Service forecasts only a slight (0.4%) increase in world beef supplies this year with Brazil (+2.5%), , the EU (+1.5%) and India (+3.9%) accounting for virtually all of that growth. The product from India, of course, is almost all water buffalo product that fills a low-price niche with much of the product going to China. Modest 2014 output growth has left beef importers scrambling for product — and forced to pay very higher prices. Production challenges in the United States and Australia, combined with strong international demand will draw year-end worldwide beef inventories down to 584,000 metric tons, 20% lower than at the end of 2013, according to USDA forecasts.

U.S. BEEF EXPORTS -- JULY & YTD 2014

		July 2013		July 2014		Pct Change		Jan-July 2013		Jan-July 2013		Pct Change	
		Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume
		$000	MT	$000	MT			$000	MT	$000	MT		
	World Total	**552,174**	**88377**	**553,922**	**75,441**	**0.3%**	**-14.6%**	**3,038,071**	**482,098**	**3,435,771**	**492,848**	**13.1%**	**2.2%**
1	Japan	136,947	25,292	143,607	22,668	4.9%	-10.4%	730,346	126,570	716,984	116,963	-1.8%	-7.6%
2	Canada	133,990	17,487	108,732	12,567	-18.9%	-28.1%	716,899	100,553	603,287	78,216	-15.8%	-22.2%
3	Mexico	70,530	13,473	74,553	11,831	5.7%	-12.2%	358,670	66,735	508,295	83,139	41.7%	24.6%
4	Hong Kong	86,827	13,316	71,046	9,182	-18.2%	-31.0%	354,850	56,063	556,851	78,895	56.9%	40.7%
5	Korea, South	40,889	7,385	63,318	8,757	54.9%	18.6%	282,358	51,467	425,902	61,613	50.8%	19.7%
6	Taiwan	14,989	1,807	29,341	3,286	95.8%	81.8%	139,413	17,393	161,724	19,299	16.0%	11.0%
7	Netherlands	13,573	1,272	12,265	1,105	-9.6%	-13.1%	74,732	6,693	74,229	6,662	-0.7%	-0.5%
8	Philippines	3,704	558	4,097	686	10.6%	23.0%	28,633	4,291	28,328	5,041	-1.1%	17.5%
9	Chile	6,248	1,075	4,362	668	-30.2%	-37.9%	34,369	5,786	35,736	5,434	4.0%	-6.1%
10	Dominican Republic	2,659	291	2,826	399	6.3%	37.3%	18,519	2,051	25,504	3,158	37.7%	53.9%
11	United Arab Emirates	5,272	475	5,162	399	-2.1%	-16.1%	35,287	3,155	34,701	2,919	-1.7%	-7.5%
12	Italy	4,861	429	4,254	362	-12.5%	-15.5%	39,932	3,415	43,101	3,515	7.9%	2.9%
13	Germany	3,578	421	3,924	345	9.7%	-18.1%	21,711	2,307	26,213	2,461	20.7%	6.7%
14	Kuwait	1,337	161	3,179	323	137.8%	100.4%	16,192	1,715	17,704	1,863	9.3%	8.6%
15	Bahamas, The	1,680	258	2,210	311	31.5%	20.7%	12,243	1,856	12,335	1,817	0.8%	-2.1%
16	Vietnam	1,527	218	1,070	128	-29.9%	-41.3%	20,163	3,146	9,742	1,404	-51.7%	-55.4%
17	Egypt	4,082	2,220	88	31	-97.8%	-98.6%	23,154	12,824	4,796	916	-79.3%	-92.9%
18	Russia	126	7	58	2	-54.0%	-72.7%	676	38	216	8	-68.0%	-77.6%

*Ranked by July 2014 volume

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PRODUCTION AND PRICE SUMMARY

Week Ending 9/6/14

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Pct. Change
	Total Meat & Poultry Prod.	**Million lbs.**	**1615.7**	**1712.6**	**-5.66%**	**1688.8**	**-4.33%**	**58,778**	**-2.52%**
C	FI Slaughter	Thou. Head	518	584	-11.30%	576	-10.02%	20,502	-7.05%
A	FI Cow Slaughter	Thou. Head	98.4	97.1	1.32%	114.5	-14.04%	3,539	-13.68%
T	Avg. Live Weight	Lbs.	1339	1340	-0.07%	1314	1.90%	1,322	0.91%
T	Avg. Dressed Weight	Lbs.	813	813	0.00%	804	1.12%	800	0.83%
L	Beef Production	Million Lbs.	420.5	473.5	-11.19%	461.5	-8.88%	16,371	-6.25%
E	Live Fed Steer	$/cwt live wt.	159.22	155.45	2.40%	122.90	29.55%		
	Dressed Steer	$/cwt carcass	249.94	244.66	2.16%	194.17	28.72%		
&	OKC Feeder Steer	700-800 Lbs.	#N/A	222.82	#N/A	#N/A	#N/A		
	Beef Cutout	600-900 Choice	247.62	247.75	-0.05%	195.94	26.38%		
B	Hide/Offal	$/cwt live wt.	16.68	16.62	0.36%	14.07	18.55%		
E	Rib	Choice	353.70	349.53	1.19%	309.58	14.25%		
E	Round	Choice	218.69	221.92	-1.46%	165.35	32.26%		
F	Chuck	Choice	218.35	215.54	1.30%	164.85	32.45%		
	Trimmings, 50%	Fresh	127.14	132.10	-3.75%	105.85	20.11%		
	Trimmings, 90%	Fresh	300.02	298.81	0.40%	210.01	42.86%		
H	FI Slaughter	Thou. Head	1780	1979	-10.06%	1983	-10.23%	70,706	-5.33%
O	FI Sow Slaughter	Thou. Head	52.5	50.9	3.21%	54.6	-3.86%	1,779	-6.21%
G	Avg. Dressed Weight	Lbs.	213	213	0.00%	204	4.41%	214	3.95%
S	Pork Production	Million Lbs.	378.3	421.3	-10.21%	404.8	-6.55%	15,134	-1.57%
	Iowa-S. Minn. Direct	Avg.	94.79	92.95	1.98%	90.20	5.09%		
&	Natl. Base Carcass Price	Weighted Avg.	93.66	96.18	-2.62%	89.15	5.06%		
	Natl. Net Carcass Price	Weighted Avg.	95.52	98.17	-2.70%	91.60	4.28%		
P	Pork Cutout	200 Lbs	102.67	101.67	0.98%	95.39	7.63%		
O	Hams	Primal Cutout	100.45	94.40	6.41%	86.07	16.71%		
R	Loins	Primal Cutout	111.74	110.36	1.25%	96.42	15.89%		
K	Trimmings, 72% Lean	Fresh	95.93	91.87	4.42%	60.23	59.27%		
	Bellies	Primal Cutout	103.12	106.82	-3.46%	142.60	-27.69%		
C	Young Chicken Slaughter*	Million Head	163.64	160.35	2.05%	163.18	0.28%	5,363	-0.51%
H	Avg. Weight	Lbs., RTC	4.40	4.40	-0.17%	4.40	-0.17%	4.3	0.32%
I	Broiler Production	Million Lbs., RTC	719.3	706.0	1.88%	718.5	0.11%	23,707	-0.19%
C	Eggs Set	Million	204.0	205.5	-0.73%	201.4	1.28%	7,116	1.05%
K	Chicks Placed	Million Head	167.9	168.0	-0.07%	167.3	0.37%	5,808	-0.15%
E	National Composite Broiler	Composite	103.47	100.6	2.90%	88.94	16.30%		
N	Georgia Dock Broiler	2.5-3 Lbs.	112.34	111.89	0.40%	104.29	7.70%		
	Northeast Breast	Skinlss/Bonelss	184.65	183.3	0.70%	162.74	13.50%		
	Northeast Leg Quarters		46.36	46.64	-0.60%	51.60	-10.16%		
T	Young Turkey Slaughter*	Million Head	4.14	4.66	-11.10%	4.42	-6.27%	145.2	-4.00%
U	Avg. Weight	Lbs.	23.57	23.99	-1.77%	23.54	0.10%	24.6	0.09%
R	Turkey Production	Million Lbs.	97.6	111.8	-12.67%	104.0	-6.17%	3,567	-3.92%
K	Eastern Region Hen	8-16 Lbs.	111.65	112.02	-0.30%	98.98	12.80%		
F	Corn, Omaha	$ per Bushel	3.40	3.66	-7.10%	5.46	-37.73%		
E	DDGS, Minnesota	$ per ton	115.00	115.00	0.00%	212.50	-45.88%		
E	Wheat, Kansas City	$ per Bushel	6.14	6.26	-1.92%	6.96	-11.78%		
D	Soybeans, S. Iowa	$ per Bushel	12.28	12.69	-3.23%	15.25	-19.50%		
	SB Meal, 48% Central Illinois	$ per Ton	583.40	593.20	-1.65%	546.50	6.80%		

* Chicken & turkey slaughter, production and prices are 1 week earlier than the date at the top of this table. Cow & sow slaughter are for 2 weeks earlier

Source: USDA Agricultural Marketing Service, various reports