

We were debating what to cover in today's report, the upcoming cattle inventory numbers or weekly exports. Since export numbers just came out will recap those today, and then tomorrow AM we will review the cattle inventory expectations. **Export sales data continues to be supportive for pork in the near term, while beef export demand is starting to wane a bit as high prices/fewer Chinese orders start to take a toll.**

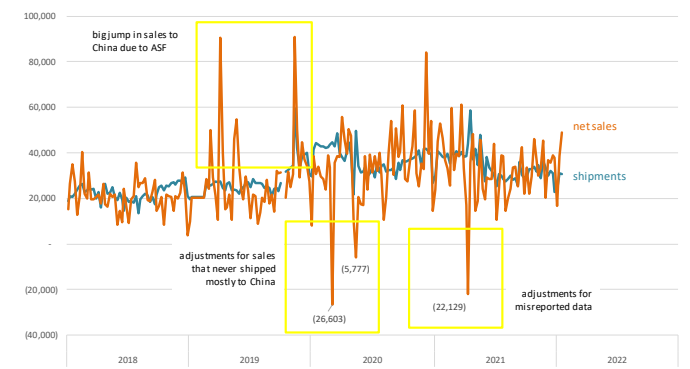
**Pork export highlights:** Pork export sales have been quite robust in the last few weeks even though each week it seems to be a different market lending support. While questions remain as to how sustainable this pace will be going forward, for now you have to account for what the numbers: strong demand at a time when slaughter remains well below 2020 and 2021 levels. Sales to China have been sporadic but last week sales to that market were near 17,000 MT, the largest net sales volume since July of last year. Outstanding sales to China are now 31,668 MT, a 10.4 week supply based on current level of shipments. After a brief slowdown in the first two weeks of the year, sales to Mexico picked up again, with 17,300 MT of product booked for the week ending January 20. Exporters likely took advantage of the pullback in the value of bone-in hams to cover needs. Interestingly there was a notably improvement in sales to Canada as well as some smaller markets such as Honduras, Dominican Republic and Colombia. Pork export shipments were robust at 30,681 MT, 13.4% higher than the average of the last four weeks but still about 23% lower than last year, mostly due to lower shipments to China.

**Beef export highlights:** Beef sales continue to struggle as record high prices for this time of year have taken a toll. China was a major driver for the market in October and November but sales to this market have slowed down considerably in recent weeks. We do not think it is a coincidence that the slowdown came once China lifted the restrictions on Brazilian beef exports. Shipments to China last week were just 641 MT, 41% lower than the average of the previous four weeks. Since late December weekly sales to China have averaged around 1000 MT/week, half the pace of shipments. Back in October and November shipments were close to 3,000 MT/week and China during certain weeks was the biggest market in terms of sales volume. Sales to Korea were strong at 6,218 MT and sales to Japan also showed improvement at 3,900 MT, 28% higher than the average of the previous four weeks. But smaller markets continue to struggle.

**Beef imports:** There was no beef import report today but each Friday we do get an update from USDA, showing a notable increase in imports from South America. In the four weeks ending January 15 imports from Brazil were 625% higher than a year ago and imports will likely stay strong in the near term as importers rush to bring more Brazilian beef in before the available quota runs out. Imports from Argentina are also off to a strong start. Robust lean beef prices are helping imports but it is also important to remember that both Brazil and Argentina face a steep 26.4% tariff once the quota available to them is exhausted (20k MT for Argentina and ~65k MT for Brazil). Imports from Australia and New Zealand have also shown improvement in last four weeks.

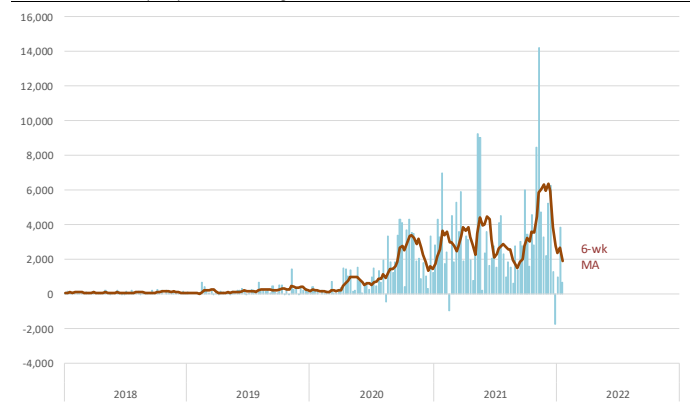
Weekly Pork Export Shipments and Net Sales. All Markets

Source: USDA-FAS. Analysis by Steiner Consulting



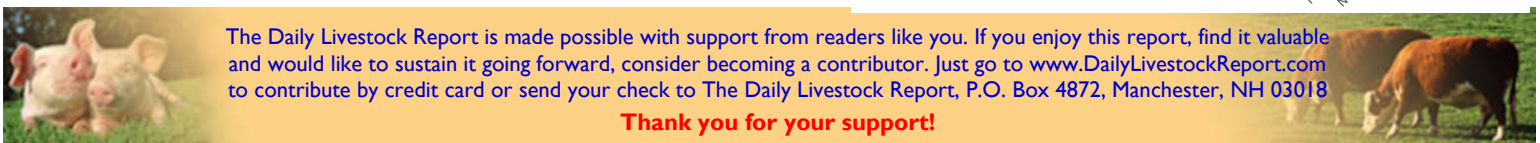
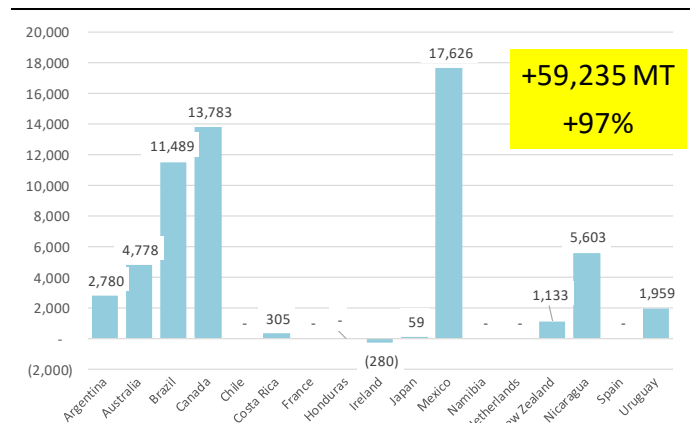
US Weekly Beef Export Sales to China. Metric Ton, shipped wt.

Source: USDA-FAS. Analysis by Steiner Consulting



Y/Y Change in the Volume of Beef Imported During Last Four Weeks

Source: USDA-AMS. Product wt. basis.



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