

Trade data for January was released by USDA-ERS yesterday and it helps complete the supply/demand picture for the month. Please note that the figures in the attached table are on a carcass weight basis. This is helpful when looking at domestic production data, which is also reported as such. Below are a few of our observations:

Total beef exports in January were estimated at 287.6 million pounds, 41.6 million pounds or 16.9% higher than the previous year. China continues to be a major driver of this growth as it emerged from a non market (due to BSE ban) to the third largest market for US beef last year. In January US beef exports to China were 48.3 million pounds on a carcass weight basis, more than double last year's levels and accounting for 62% of the overall increase. US commercial beef production in January was 2.266 billion pounds, which means China accounted for 2.1% of the US output. US exports in January represented 12.7% of US production. However, the increase in exports did not limit availability in the domestic market. That's because we saw a big surge in beef imports during that month. USDA estimated total beef imports in January at 351.9 million pounds, an increase of 57% compared to January of 2021. Why the big jump in imports and will this be sustained for the rest of the year? The main reason for the big increase in imports was Brazil. Total US imports from this country in January were almost 100 million pounds, a five fold increase compared to January 2021. The increase in Brazilian beef imports accounted for 2/3 of the overall beef import growth. Part of the reason for the jump was due to some Brazilian beef that came in last year but due to quota limitations had to be placed in bonded warehouses and was released into commerce in January. Brazil faces a relatively low threshold of around 65k MT in terms of quota. Which brings us to the second point. We do not see Brazil sustaining this level of export volume for all of 2022. Indeed, at this time more than 70% of the quota available to Brazil has been filled and it will likely be at 100% by sometime in April. But imports from other markets are up as well and most of them do not have a quota. For instance, imports from Mexico in January were 65.5 million pounds, 25.1 million pounds or 62% higher than a year ago. Imports from Canada and Nicaragua, also countries without a quota, were up 8.9 million pounds and 6.9 million pounds, respectively.

Total pork exports in January were estimated at 510.2 million pounds, 95.8 million pounds or 15.8% lower than the same period a year ago. The reduction was entirely due to lower exports to China, which at 41.5 million pounds were 100.8 million pounds or 71% lower than the previous year. Pork imports in January were 108.8 million pounds, 27.6 million pounds or 34% higher than a year ago (see our discussion yesterday for this). Despite the decline in exports and higher imports, pork supply in the domestic market was down nonetheless. Total pork production in January was 2.280 billion pounds, 197 million pounds or 8% lower than the previous year. When adjusting for the change in trade, domestic supply was down 70.7 million pounds or 3.6%.

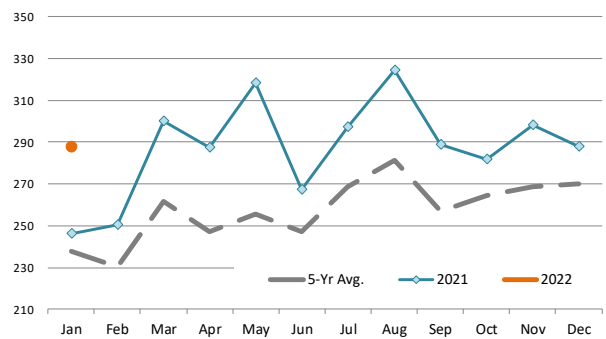
Summary of Meat and Livestock Trade in January 2022

Data source: USDA-ERS. Analysis by Steiner Consulting

		Import	Export	Net
Beef	mil. lb. cwe	351.9	287.6	(64.3)
Live Cattle	'000 head	132.4	35.8	(96.6)
Pork	mil. lb. cwe	108.8	510.2	401.5
Live Hogs	'000 head	514.6	1.7	(512.9)
Lamb	mil. lb. cwe	21.6	0.0	(21.6)
Mutton	mil. lb. cwe	11.0	0.2	(10.8)
Broiler	mil. lb. rtc	14.2	557.9	543.7
Other Chicken	mil. lb. rtc	0.0	12.4	12.4
Turkey	mil. lb. rtc	1.9	36.3	34.4
Total Meat	mil. lb. cwe	509.3	1404.7	895.4
Total Live	'000 head	647.0	37.4	(609.6)

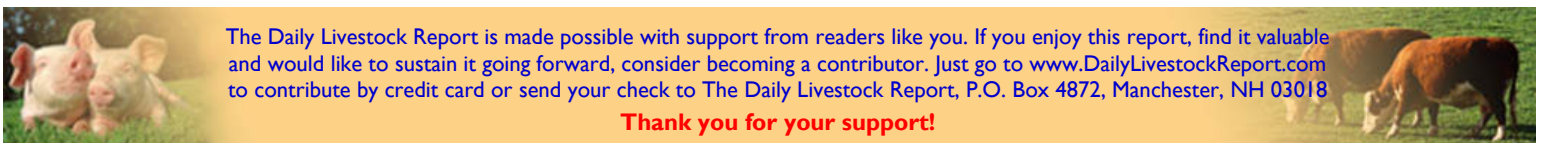
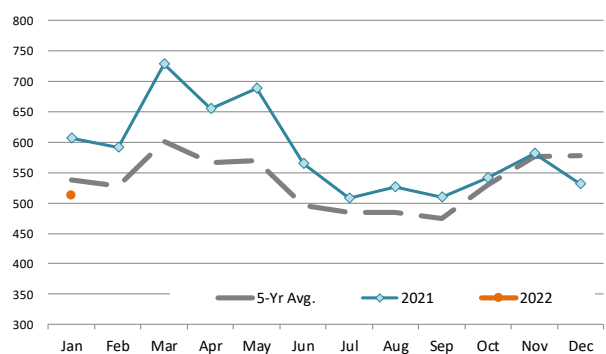
Monthly US Beef Exports

Million Pounds. Carcass Weight. USDA/ERS. Analysis by Steiner Consulting



Monthly US Pork Exports

Million Pounds. Carcass Weight. USDA/ERS. Analysis by Steiner Consulting



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