

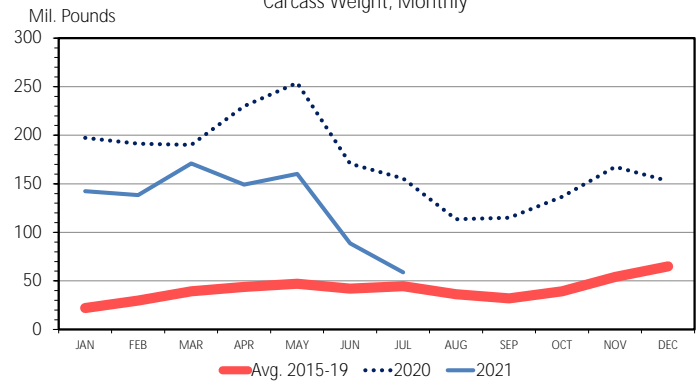
In the September WASDE, total U.S. pork exports for 2021 were lowered 75 million pounds (1.0%) from the August forecast to 7.334 billion pounds. If the export total were to be realized, it would be a record level, surpassing the 2020 record level of 7.28 billion pounds. This DLR will analyze possible scenarios that could occur during the remaining five months of 2021 to reach the USDA export forecast of 7.334 billion pounds.

In 2021, trade flows have shifted from a year ago, with changes occurring mainly between the top two destinations of China and Mexico. In 2020, China emerged as the top export market with total pork exports at nearly 2.1 billion pounds shipped while Mexico was the number two destination at almost 1.6 billion pounds. Through first five months of 2021, cumulative exports showed that China was still the top destination but a 44.4% drop in exports in June followed by another 33.6% decline in July moved them to the number two destination behind Mexico. Are reduced levels of pork exports to China likely to continue for the remainder of the year?

As exports to China shrank, shipments to Mexico steadily increased and in June they became the top destination for U.S. pork exports. Mexico, historically the top destination for U.S. pork exports, has seen a higher rate of shipments with year-to-date levels up 24.2%. According to the July 2021 World Economic Outlook Update released by the International Monetary Fund (IMF), Mexico's projected real GDP was 6.3%. Will increased shipment levels continue this year to Mexico?

Weekly USDA FAS export data shows that total pork exports for the month of August are likely to be similar to July's level. With this assumption, year-to-date total pork exports through August will likely be about 4.9 billion pounds. Subtracting the assumed exports through the first eight months of the year from the USDA forecast of 7.334 billion pounds leaves a remaining balance of 2.43 billion pounds which is similar to the September-December export level in 2020. Simply dividing the balance by the remaining four months in the year indicates a

US PORK EXPORTS TO CHINA (MAINLAND)
Carcass Weight, Monthly



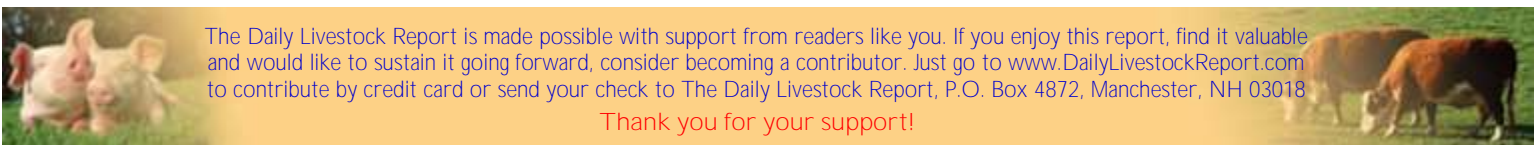
Data Source: USDA-ERS & USDA-FAS
Livestock Marketing Information Center

09/03/21

monthly average export level of about 610 million pounds.

Conducting further analysis shows potential trade flows for the remainder of 2021. For this analysis, year-to-date shipments through July are used for Mexico, China, and rest of world (ROW). Based on these assumptions four scenarios are presented below which focus on hypothetical reductions of 20%, 30%, 40% and 50% in exports to China for the September-December period of 2021. The analysis then provides the needed September-December exports to Mexico to offset the decline to China. Exports to the ROW are assumed to increase 5% from last year. Results from the analysis show that for each scenario, exports to Mexico will need to increase 6%, 15%, 22%, and 31%, respectively, to reach the USDA forecast of 7.334 billion pounds. Regardless of where exports fall for the September-December period, total U.S. pork exports maintaining levels near the 2020 record level is positive for demand and supportive of domestic prices.

Pork Exports													
Carcass Weight (Million Pounds)													
	Mexico				China				ROW				WASDE Annual Total
	Jan-Jul	August Est.	Sep-Dec Est.	Total	Jan-Jul	August Est.	Sep-Dec Est.	Total	Jan-Jul	August Est.	Sep-Dec Est.	Total	
Scenario 1: China -20%, ROW +5%, MX +6%	1,065	175	745	1,985	908	62	460	1,430	2,369	242	1,308	3,919	7,334
Scenario 2: China -30%, ROW +5%, MX +15%	1,065	175	805	2,045	908	62	400	1,370	2,369	242	1,308	3,919	7,334
Scenario 3: China -40%, ROW +5%, MX +22%	1,065	175	861	2,101	908	62	344	1,314	2,369	242	1,308	3,919	7,334
Scenario 4: China -50%, ROW +5%, MX +31%	1,065	175	921	2,161	908	62	284	1,254	2,369	242	1,308	3,919	7,334



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PRODUCTION & PRICE SUMMARY

Week Ending 9/18/2021

Source: Various USDA Agricultural Marketing Service (Market News) reports. DATA ARE PRELIMINARY.

Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
		18-Sep-21	11-Sep-21		19-Sep-20			
Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,885	1,811	4.1%	1,921	-1.9%	71,480	-0.1%
C FI Slaughter	Thou. Head	660	577	14.4%	648	1.8%	23,700	3.7%
A FI Cow Slaughter **	Thou. Head	126	131	-4.0%	115	9.8%	10,840	1.4%
T Avg. Dressed Weight	Lbs.	823	822	0.1%	840	-2.0%	826	-0.3%
T Beef Production	Million Lbs.	542.2	473.2	14.6%	543.3	-0.2%	19,574	3.4%
L Live Fed Steer Price, 5-Mkt	\$ per cwt	123.90	124.79	-0.7%	103.54	19.7%		
E Dressed Steer Price, 5-Mkt	\$ per cwt	198.67	200.82	-1.1%	163.25	21.7%		
Oklahoma Steer (600-700 lbs)	\$ per cwt	158.33	158.69	-0.2%	143.36	10.4%		
& Choice Beef Cutout	\$ per cwt	320.22	332.46	-3.7%	215.87	48.3%		
Hide/Offal	\$ per cwt, live wt	15.26	15.31	-0.3%	7.93	92.4%		
B Rib, Primal, Choice	\$ per cwt	608.55	609.10	-0.1%	357.64	70.2%		
E Round, Primal, Choice	\$ per cwt	245.49	258.42	-5.0%	169.41	44.9%		
E Chuck, Primal, Choice	\$ per cwt	258.84	265.28	-2.4%	173.30	49.4%		
F Trimmings, 50%, Fresh	\$ per cwt	138.38	138.56	-0.1%	43.13	220.8%		
Trimmings, 90%, Fresh	\$ per cwt	277.73	278.37	-0.2%	218.97	26.8%		
H FI Slaughter	Thou. Head	2,537	2,241	13.2%	2,578	-1.6%	90,687	-1.8%
H FI Sow Slaughter **	Thou. Head	57.8	59.8	-3.3%	61.2	-5.6%	5,482	3.5%
O Avg. Dressed Weight	Lbs.	209.0	209.0	0.0%	212.0	-1.4%	214	0.0%
G Pork Production	Million Lbs.	528.9	467.5	13.1%	546.8	-3.3%	19,442	-1.8%
S Natl. Negotiated Purchase	Wtd. Avg.	83.50	88.00	-5.1%	60.90	37.1%		
Natl. Base Carcass Price	Wtd. Avg.	90.86	93.43	-2.7%	66.30	37.0%		
& Natl. Net Carcass Price	Wtd. Avg.	93.00	95.66	-2.8%	68.50	35.8%		
Natl. Early Wean Feeder	10-12 Lbs.	46.29	46.47	-0.4%	28.20	64.1%		
P Pork Cutout	\$ per cwt	104.68	107.47	-2.6%	84.33	24.1%		
O By-product Value	\$ per cwt, live wt	5.34	5.37	-0.6%	4.04	32.2%		
R Ham, Primal	\$ per cwt	76.44	82.75	-7.6%	77.05	-0.8%		
K Loin, Primal	\$ per cwt	112.36	111.52	0.8%	73.49	52.9%		
Belly, Primal	\$ per cwt	164.12	163.26	0.5%	139.39	17.7%		
Trimmings, 72%, Fresh	\$ per cwt	117.92	109.17	8.0%	87.54	34.7%		
C Young Chicken Slaughter *	Million Head	148.9	161.3	-7.7%	149.11	-0.1%	5,983	-1.4%
H Avg. Weight (RTC)	Lbs.	4.86	4.83	0.8%	4.92	-1.2%	4.83	1.0%
I Young Chicken Production (RTC)	Million Lbs.	724.5	778.6	-7.0%	734.3	-1.3%	28,894	-0.4%
C Eggs Set (US)	Million	233.6	235.7	-0.9%	225.4	3.6%	20,837	1.0%
K Chicks Placed (US)	Million Head	185.3	185.3	0.0%	186.9	-0.8%	16,514	-0.2%
E National Composite Whole Bird	Composite	106.03	105.78	0.2%	63.48	67.0%		
N Northeast Breast, B/S	\$ per cwt	209.71	208.73	0.5%	99.94	109.8%		
Northeast Leg Quarters	\$ per cwt	43	41.76	3.0%	22.79	88.7%		
T Total Turkey Slaughter *	Million Head	3.42	3.76	-9.0%	3.72	-8.2%	138.0	-6.5%
U Avg. Weight (RTC)	Lbs.	26.07	24.42	6.8%	26.01	0.2%	25.87	-0.3%
R Turkey Production (RTC)	Million Lbs.	89.1	91.7	-2.8%	96.9	-8.0%	3,569	-6.8%
K National Hen (8-12 Lbs)	\$ per cwt	144.29	NO	N/A	115.08	25.4%		
G Corn, Omaha	\$ per Bushel	5.95	5.65	5.2%	3.61	64.6%		
R Distillers Grain, IA	\$ per Ton	197.50	202.50	-2.5%	137.50	43.6%		
A Soybean, Cntrl IL	\$ per Bushel	12.94	12.70	1.9%	10.29	25.7%		
I Soybn Meal 48%, Cntrl IL	\$ per Ton	344.00	340.80	0.9%	328.40	4.8%		
N								

* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

** Cow and sow slaughter reflect levels from two weeks ago (part of 'actual' rather than 'preliminary' weekly slaughter report).

