

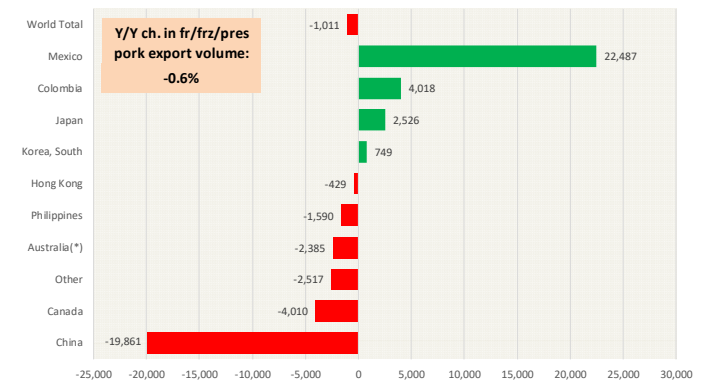
August trade data may be old news at this time but it still offers insights on export demand and the factors that drove meat prices towards the end of the summer. It also shows the tremendous value derived from exports currently. Below are a few **highlights from the export numbers released yesterday:**

Pork: The latest trade data confirmed what we were already expecting based on weekly shipments. **Pork exports to China in August were sharply lower** compared to a year ago **but they were offset by higher exports to Mexico**. Total US exports of fresh, frozen and processed pork were 179,359 MT, just 1k MT or 0.6% lower than the previous year. Pork production in August was 5.4% lower y/y, and when adjusted for the extra production day this year, **pork output was as much as 10% lower than last year**. In this context August exports were indeed excellent. Exports to Mexico were 68,949 MT, 22,487 MT or 48% higher than a year ago. The volume exported was up despite double digit wholesale price inflation. **The value of US pork exports to Mexico in August was \$138.9 million, 111% higher than the previous year.** Shipments to Mainland China were 18,662 MT, down 19,861 MT or 51.6% compared to a year ago. The value of US pork exports to China was down 52% as well but the value of pork exports to other markets was significantly higher. So, **even though August pork export volume was slightly lower than a year ago, the value of US pork exports in August was almost \$80 million or 18% higher than a year ago.** Through August, the value of US exports of fresh/frozen and processed pork was \$4.769 billion, about \$32 million higher than a year ago and over a billion dollars higher than the same period in 2019. This is an important consideration when we look at the impact of export demand for the industry. Variety meat exports so far this year have amounted to \$650 million, \$18 million or 39% higher than a year ago. In August the value of variety meat exports was \$83.4 million, with China sales accounting for almost \$60 million. Overall, we thought August pork export data was excellent despite the decline in exports of pork muscle cuts and trim to China.

Beef: **While Chinese buyers have cut back on purchases of US pork, they have increased the amount of beef they source in the US.** Lack of product availability from South America, less Australian beef supply and continued domestic strong demand has contributed to the increase in US beef purchases. Total US beef exports in August were 107,259 MT, 18,107 MT or 20.3% higher than the previous year. **Exports to China, now the third largest market, were 19,924 MT, 16,343 MT higher than last year, a four fold increase.** Exports to Japan, our top market, were 24,241 MT, 11% higher than last year. S. Korea is the third largest market and exports in August were 23,922 MT, down 9% compared to last year. The volume of US beef exported is truly impressive when we consider the dramatic increase in US beef prices during the month. Exports of fresh/frozen and cooked beef in August were valued at \$942.1 million, \$331 million or 54.2% higher than a year ago. Add to this the value of beef variety meats, which was \$99.2 million, \$36.4 million more than a year ago. So **the value of beef exports in August alone was up over \$367 million.** January through August, beef and beef variety meat exports were valued at \$6.6 billion, up \$1.7 billion or 33.7% from a year ago.

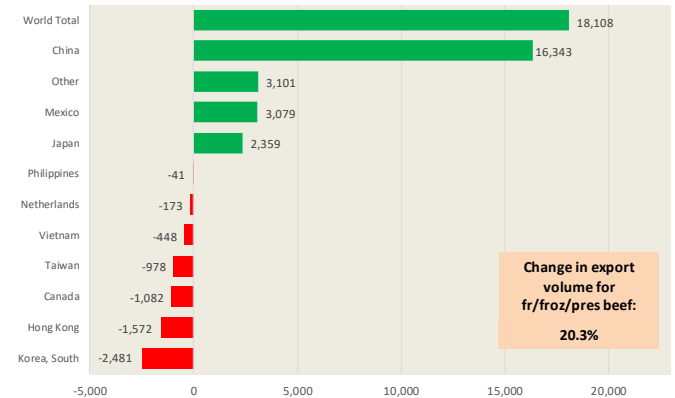
Y/Y Ch. in Aug. 21 vs. Aug 20 US Fr, Froz & Pres Pork Export Volume

Source: USDA/FAS. Analysis by Steiner Consulting Units: Metric Tons



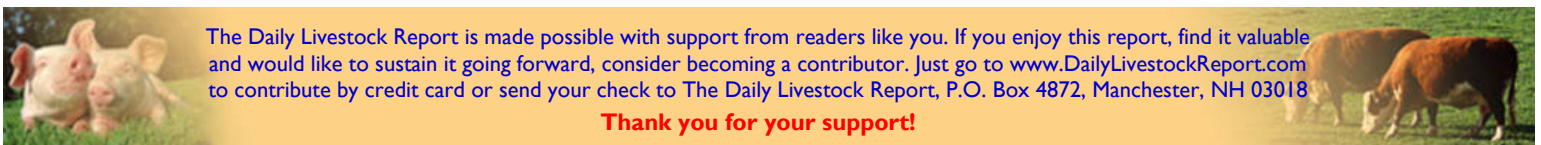
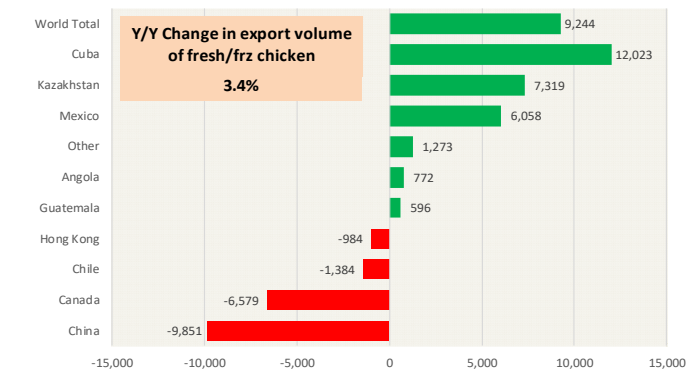
Y/Y Ch. in Aug. 21 vs. Aug 20 US Beef and Veal Export Volume

Source: USDA/FAS. Analysis by Steiner Consulting Unit: Metric Ton



Y/Y Ch. in Aug. 21 vs. Aug 20 US Fresh/Frozen Broiler Meat Exports

Source: USDA/FAS. Analysis by Steiner Consulting Units: Metric Tons



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