

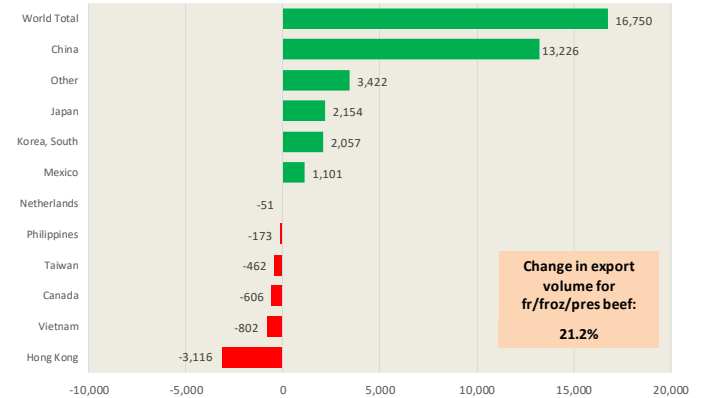
Beef exports for September were higher than expected. USDA reported that total shipments of fresh/frozen and cooked beef for the month were 95,732 MT, 16,749 MT or 21.2% higher than the previous year. Weekly exports of beef muscle cuts were only 8% higher than last year, hence us saying that exports were above expectations. What stands out in the chart to the right is the impact that China has had on the y/y increase in US beef exports. Shipments to the Chinese market were 17,468 MT, a 312% increase compared to the previous year. The increase in exports to China accounted for about 80% of the overall increase in US beef exports. Some of the increase in shipments to China was offset by lower exports to Hong Kong, with shipments down 3,115 MT or 48% from a year ago. Clearly some of the product that was going into Mainland China through HK now is going there directly. USDA shows in its weekly report a large volume of beef sales to Hong Kong that is still outstanding. As has been the case the last two years, we expect USDA to go back to issue a correction. Also interesting that shipments to Vietnam in September were just 208 MT compared to over 1,000 MT a year ago. This is also another destination that may have served as a transshipment point but struggling with tight controls due to COVID. **South Korea was the biggest market for US beef in September, taking 22,649 MT, 10% more than a year ago.** Exports to Japan were 21,807 MT, up 11% compared to last year. Export demand in September was excellent, evidenced by the fact that **shipments were up 21.2% while the value of shipments jumped 61.5%.** In September alone the value of US beef exports was \$857 million, \$326.4 million more than a year ago. The value of variety meat exports was \$97.1 million, \$26.8 million or 38% higher than a year ago. Little from this pile of dollars is going to the cattle producer as cattle prices have been stuck in neutral since spring and the reason why producers continue to liquidate their breeding stock.

Higher exports to Mexico were not enough to offset the lost export business to China. Total shipments of fresh/frozen and cooked pork in September were 175,029 MT, 11,514 MT or 6.2% lower than the previous year. Exports to Mexico, now our top market, were 68,898 MT, up 21,000 MT or 43.8% higher than a year ago. However, **exports to China were just 16,732 MT, down 22,805 MT or 57.7% compared to a year ago.** Exports to a number of other smaller markets were mostly lower as well. Japan and Canada were bigger pork export markets than China in September. Shipments to Japan were 28,338 MT, down 6% from last year while shipments to Canada were 20,092 MT, down 7.3% from a year ago. Exports of fresh/frozen pork only were 150,712 MT, down 11% from a year ago. This was a bigger than expected decline based on the weekly data, which showed a 9% drop. Despite the decline in export volume, the value of US pork going to export was up. Fresh/frozen and prepared pork export value was \$507.9 million, \$25.2 million or 5% higher than last year. The value of pork variety meat was \$75.1 million, \$16.6 million or 28% higher than a year ago. While pork exports to China were down sharply in September, the volume of pork variety meat was up 39% and the value of pork variety meat exports to China was \$13.4 million or 36% higher than a year ago.

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

Source: USDA/FAS. Analysis by Steiner Consulting

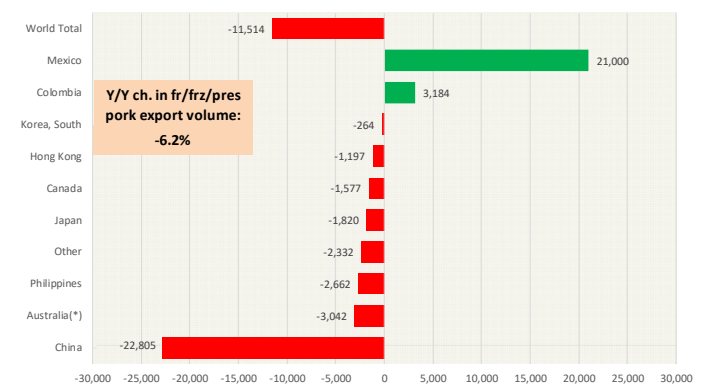
Unit: Metric Ton



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

Source: USDA/FAS. Analysis by Steiner Consulting

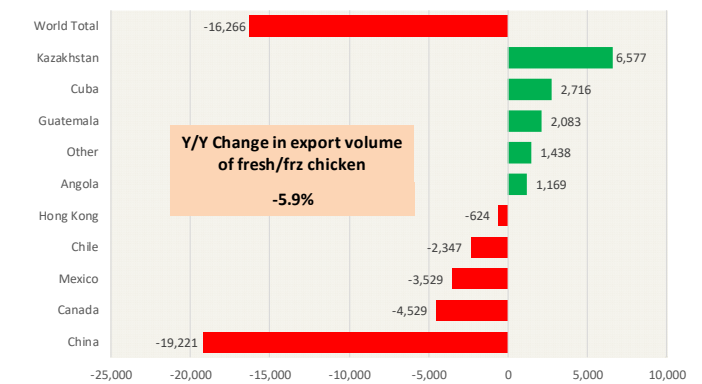
Units: Metric Tons



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

Source: USDA/FAS. Analysis by Steiner Consulting

Units: Metric Tons



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