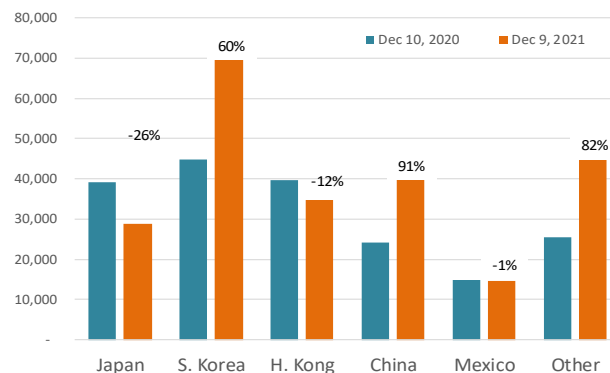


Beef export shipments last week were reported at 18,501 MT, 6% higher than the average of the last four weeks but still about 4% lower than the same week a year ago. While shipments to China slowed down a bit, dropping under 3,000 MT, **US exporters booked a significant volume of sales to China for delivery this year and next.** At this point it makes little sense to talk about sales booked for delivery this year to China but that's how the USDA data breaks out the information. Total net export sales to China last week were over 5,000 MT, which brings outstanding beef sales to China for current and new year at over 46,000 MT or a 14 week supply, 91% higher than last year. Net sales to S. Korea remain very strong and in our view this remains the top market for US beef, with China and Japan closely behind. Sales to this market last week were a combined 5,900 MT, about 1,000 MT more than the pace of weekly shipments. Outstanding beef sales to S. Korea are now a combined 72,000 MT or a 15 week supply. Sales to Japan were also robust at 5,700 MT vs. average weekly shipment rate of around 4,200 MT. **Strong demand in Asian markets remains a key driver for US beef prices**, with buyers in those markets looking to take advantage of the pullback in the price of some items. Brisket prices have been flying high, we think in large part due to strong demand in Asia and the price of short plates, an item USDA does not quote, is also reportedly firm. Fat beef trim values have been holding up much better than many expected, and in part this may be due to more fatty cuts going to Asian markets rather than trimmed here, or going into fat trim packages.

Total pork shipments last week were 30,102 MT, down 9.8% from the average of the last four weeks but still a solid number, especially considering that exports to China are only a fraction of what they were last year. Weekly shipments are down 28% from last year with shipments to China down 67%. And it will probably not get better in the near term. Chinese officials reverted tariffs to levels prior to ASF outbreak, a sign that pork supplies in the country have normalized. Tariff paid by most countries shipping pork to China is now 12%, from 8% previously. The effective tariff on US pork also went up, from 33% to 37%, which includes the regular tariff plus retaliatory tariffs. Mexico remains a top market, with shipments last week pegged at 14,528 MT, down 10% from the four week average but in line with last year's levels. What was positive is that Mexican buyers were quite active last week, booking 22,653 MT in net sales for delivery this year and another 2,544 MT for delivery next year. The combined net sales of over 25,000 MT is one of the highest weekly export volume sales on record to Mexico. Sales to China remain minimal, however, and this offsets the positive tone in exports to Mexico. Net sales to other markets were relatively soft, with combined net sales to Japan at 2,900 MT vs. average shipments of around 4000 MT in recent weeks and combined net sales to S. Korea of 1,800 MT vs. average sales of around 3,000 MT in recent weeks.

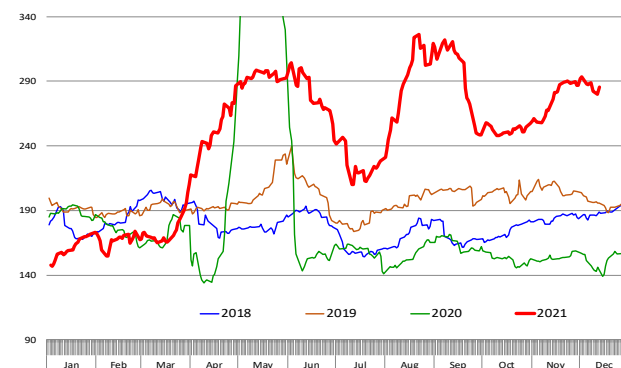
Outstanding Beef Export Sales as of Dec. 9 vs. Year Ago

Source: USDA-FAS. Analysis by Steiner Consulting



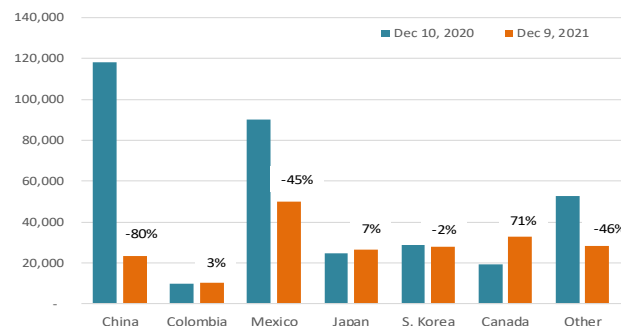
Primal Brisket

Daily Prices. Source: USDA-AMS. Analysis by Steiner Consulting



Outstanding Pork Export Sales as of Dec 9 vs. Year Ago

Data in Metric Ton, Product Wt. Basis. Source: USDA-FAS. Analysis by Steiner Consulting



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