

Daily Livestock Report

Vol. 7, No. 219 / November 16, 2009

Market Comments

September pork exports were 3.8% larger than one year ago, marking the first month since March in which 2009 exports have exceeded those of 2008. September shipments totaled 352.5 million pounds carcass weight, 14.6% higher than in August. As can be seen in the chart at right, September marks the sixth month this year that has been greater than the levels suggested by the 2004-2007 trend — a trend that excludes last year's unusually high export numbers.

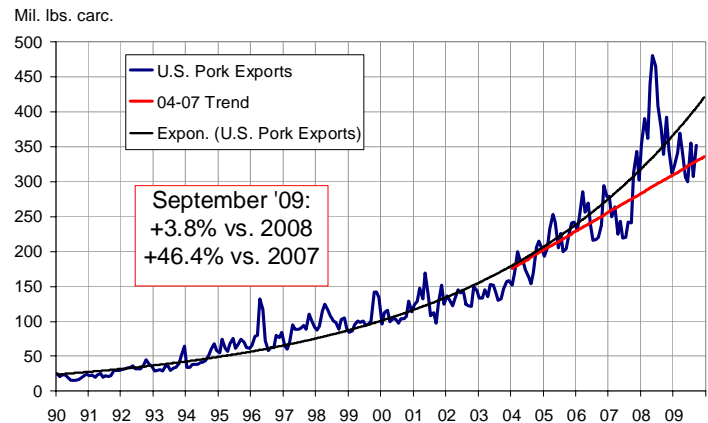
That longer-term trend is very likely more sustainable and still includes substantial growth versus past years. 2009 pork export, year-to-date, are now over 4% higher than the 2004-2007 trend. September shipments were over 46% higher than those of September 2007. September pork exports accounted for 17.6% of commercial pork production.

Japan remains our biggest pork customer, importing 93.9 million pounds of carcass-weight pork in September. Mexico continues to be a CLOSE second at 81.3 million pounds. September shipments to Japan were 13.5% smaller than last year while shipment to Mexico were 60% larger than last September. Purchases by Mexico have been greater than 80 million pounds the past two months — and that after falling from nearly 70 million pounds in March to just under 50 million pounds in May after H1N1 influenza broke out in April.

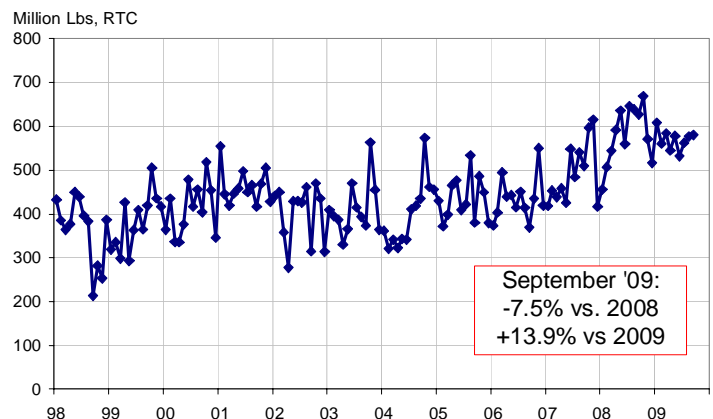
Exports to China/Hong Kong were larger than one year ago for the first time this year, exceeding those of September 2008 by 13%. That is good news but one must remember that September 2008 exports to China/Hong Kong were over 75% lower than the peak of June and July 2008. Still, an increase is an increase! Shipments to Canada grew by 9% versus year-ago, marking only the third higher month this year.

September broiler exports were 7.5% lower than the same month last year as the broiler industry suffers a bit from comparisons to last year's record levels, too. By contrast, this year's September exports were nearly 14% larger than two years ago. September exports were larger than last year for Mexico (20%), China/Hong Kong (27%), Canada (9%) and our largest chicken customer, Russia (16%). With growth to those large markets, one might wonder how the total was lower than last year. The answer is declines of 56% to CIS states except Russia and 73% to the Baltic states. Year-to-date broiler exports stand 1.5% lower than last year with the declines being primarily in shipments to Russia (-17%) and the other CIS states (-41%). Readers may note the absence of Japan in the discussion about broilers. Japan is a very minor broiler export customer, so much so that USDA does not report ready-to-cook weight (ie. carcass weight for broilers) for Japan, which accounted for only 1.2% of 2008 exports.

U.S. PORK EXPORTS - MONTHLY



U.S. BROILER EXPORTS - MONTHLY



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