



Beef- Beef production last week fell .7% but was 1.4% more than the same week last year. Solid year-over-year gains in beef output are anticipated this fall, but wet feedlot operations could equal lighter cattle weights. This factor could support the beef markets later this month. Beef imports during August were 3.3% smaller than the previous year but the biggest for the month since 2004. August beef exports were a whopping 9.3% better than last year and were a record for any month. The U.S. was a net importer of beef by only 533 thousand pounds. If beef imports continue to be only modest moving forward, it could temper seasonal declines for the lean beef trim markets that usually occurs during the fall. .

The Kitchen Sink (Various Markets)- The cocoa market has continued to trade at relatively engaging levels for buyers. Existing cocoa supplies are adequate and are expected to remain so with the new harvests into 2019. That said, history suggests that the greater risk in the cocoa markets is to the upside.

Grains- The U.S. corn and wheat harvests have slowed due to heavy precipitation in the Midwest. This has brought modest support to the grain markets as of late. However, as the harvest resumes, it could put more downward pressure on prices. Early harvest reviews suggest record corn and soybean yields.

Dairy- Declining international prices are tempering U.S. exports. During August, U.S. cheese exports were 6.6% less than the same month last year. Lackluster cheese exports could persist this fall. This factor and adequate domestic cheese supplies are anticipated to limit any further upside price moves in cheese. U.S. butter imports in August were up 41% from 2017 and the second highest for any month on record. Butter exports during the month were up 49.1% from last year. The total butter supply in the U.S. during August was up 3.3%. The upside price risk in butter is likely limited as well.

Pork- Pork output last week declined 2.1% and was down 1.5% compared to the same week a year ago. Hog supplies have tightened due in part to some weather challenges and limited transportation. Still, big year-over-year expansion in pork production is expected to occur this fall which could weigh heavy on the pork markets. Pork belly prices have increased notably over the last six weeks when they were setting a 39-month low. However, U.S. belly stocks are large. The pork belly cutout typically falls near 20% from now through the end of the year.

Poultry- Chicken production for the week ending September 29th rose 5.1% from the prior week and was 2.4% larger than last year. The six-week moving average for chicken output is tracking 1.5% above 2017. Chicken production is expected to trend modestly above 2017 levels during the next few months. But, last week the producer feed cost ratio was the worst for the week since 2012. If profitability continues to fade, it may temper the expected chicken output gains and eventually support prices. The chicken wing markets showed only some strength this fall and may have already seasonal topped. Since 2013, the average move for the ARA Chicken Wing Index average from now through December was down 10.2%. History says breast prices can still decline.

Seafood- The 2018-19 Alaskan Bering Sea snow crab quota has been set at 27.58 million pounds - up 35% from the prior year and the biggest since 2015-16. However, the quota is still historically small. The bulk of the Alaskan snow crab supply could be available until the winter, but dampening demand is expected to temper snow crab prices during the fall.