



US Imported Beef Market

A Weekly Update

Prepared Exclusively for Meat & Livestock Australia - Sydney

Volume 25, Issue 17

April 19, 2024

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Market Highlights for the Week:

- April 1 inventory of cattle on feed in feedlots with +1000 head capacity was 1.5% higher than a year ago. The supply of cattle with +120 day on feed, however, was 11% higher than last year, underscoring the fact that front end supply remains heavy, with implications for both fed cattle weights and total beef production in Q2.
- Fresh lean grinding beef prices for the week posted the first decline since December.
- Non-fed cattle slaughter remains well below year ago levels (-10%) but it is at the highest point since late February. Cow carcass weights are currently running 3% above last year, further bolstering supply.
- In the last three weeks fed beef production has increased by 65 million pounds (+5%) vs. a year ago. Higher imports and lower exports have further bolstered the supply of beef available in the spot market, helping reverse the trend in wholesale beef prices...at least for now.

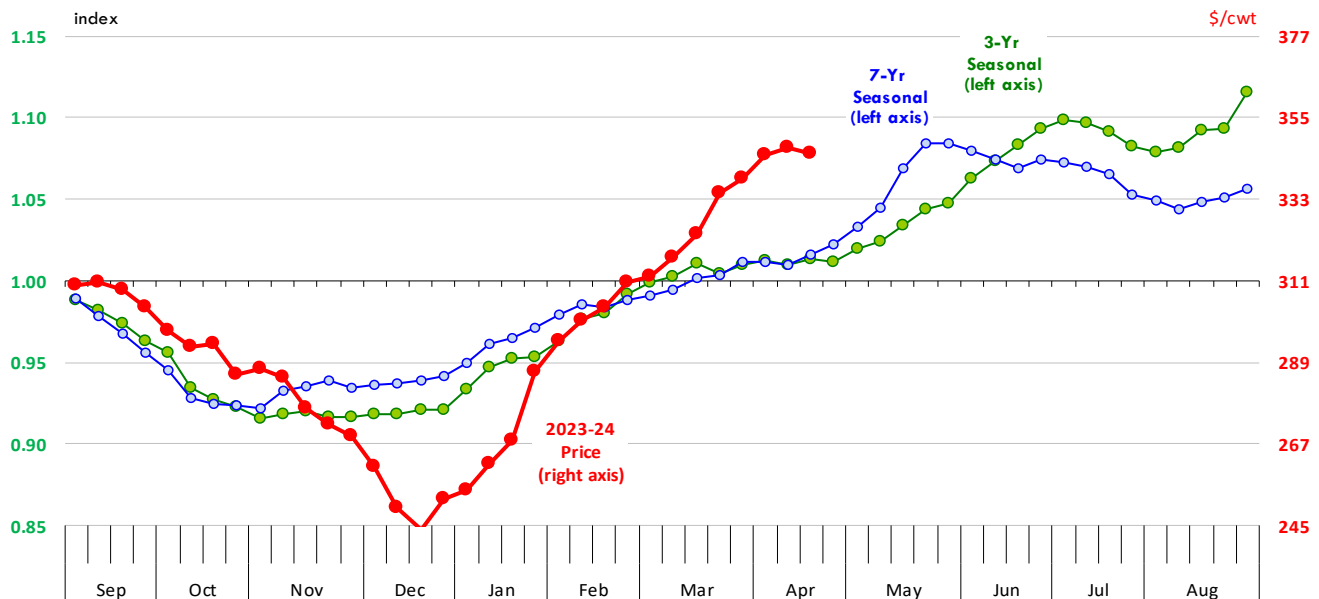
Imported Market Activity for the Week

As US fresh lean beef market goes, so do imported values, at least in the current supply situation. The sharp runup in domestic fresh beef prices during February and March helped pull up imported values even as supply from Australia and New Zealand kept pouring in. It didn't matter that at the time there was a fair amount of Brazilian product sloshing around. What mattered was that domestic lean beef prices tomorrow were expected

to be a lot higher than today. The rally allowed US end users and traders to establish positions for late spring and summer. Last week, however, was the first week since December that domestic fresh lean beef prices were lower than the week before. More important (in our opinion) was the fact that fed beef supply has not declined as much as previously feared and domestic fed beef values he so far failed to launch. Suddenly buyers of imported beef figured they were already long enough and

Seasonality of Fresh US Domestic 90CL Beef Trim. Weekly Average USDA Price

Current Price vs. 3-Yr and 7-Yr Seasonal. USDA Prices. Analysis by Steiner Consulting



stopped chasing the market. Lean and extra lean imported grinding beef prices on pages 5 and 6 were as much as 3 cents lower than the previous week although in some cases even bigger declines were registered. The decline was largely at the FOB level, with overseas trading generally at steady money. However, if this proves to be a more sustained slump, eventually it will be reflected in bids and trading in future weeks.

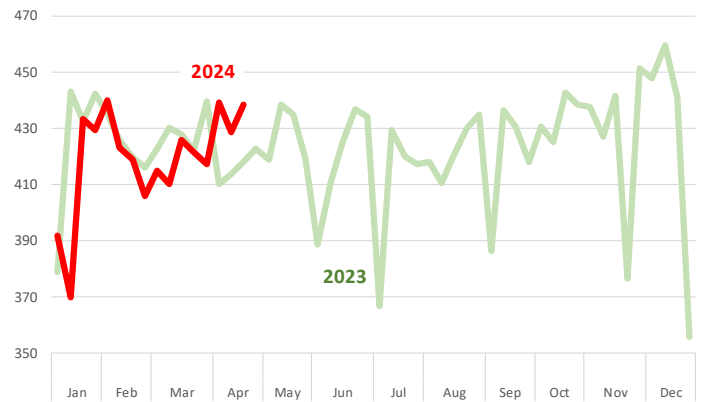
For experienced market participants the recent developments may not be that surprising. After all, it is a ritual of spring to get buyers all excited covering needs in March and early April and then see the rally run out of gas by late April. The seasonal chart on page 1 says as much. Every year is different and there is only so much you can attribute to seasonal demand. Last December prices declined by more than the seasonal trend would suggest and this March the opposite happened. Does it mean then that current prices are near at top? Maybe, unless something else happens fundamentally to push prices higher. In the near term, however, the recovery in domestic beef supplies appears to have eased some of the buyer angst.

Other market notes:

Third week of more fed beef than year ago. The drumbeat in recent months has been that US beef supply will be tight and higher prices are needed to ration out demand. This was supported by charts of the lowest cow herd in +60 years, fewer calves born and the potential for herd rebuilding, which would remove more females from the potential supply. True as all these observations are, in the near term, however, market participants must contend with the reality on the ground. That reality has been that fed beef production is currently higher than a year ago, and not by a small amount. We estimate that fed cattle slaughter last week was 492k head, 1.8% higher than a year ago. This is not a guess, it is based on USDA numbers reported for the week but may be revised up or down when inspector numbers are tabulated. Fed cattle weights are reported with a lag. For the week ending April 6 the average carcass weight of steers/heifers that came to market was 890 pounds, 2.7% higher than a year ago. Again, based on preliminary data it appears that weights have not gone down, as they usually do. We think that for last week the average weight was still around 891 pounds, about 3.1% higher than a year ago. In the

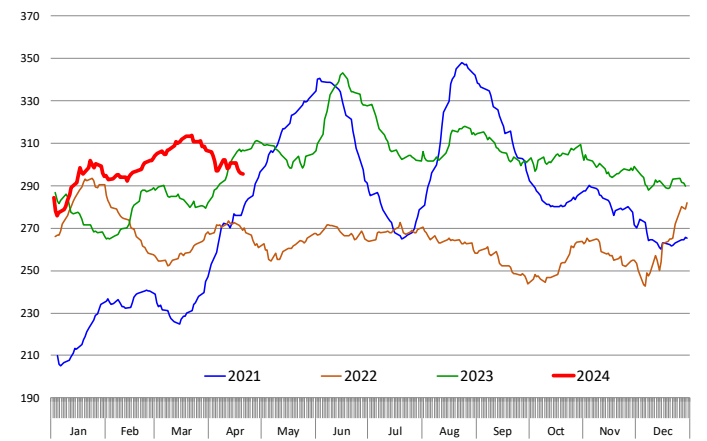
Weekly US Fed Beef Production. Million Lb.

Data source: USDA-NASS,AMS. Analysis and Projections from Steiner Consulting



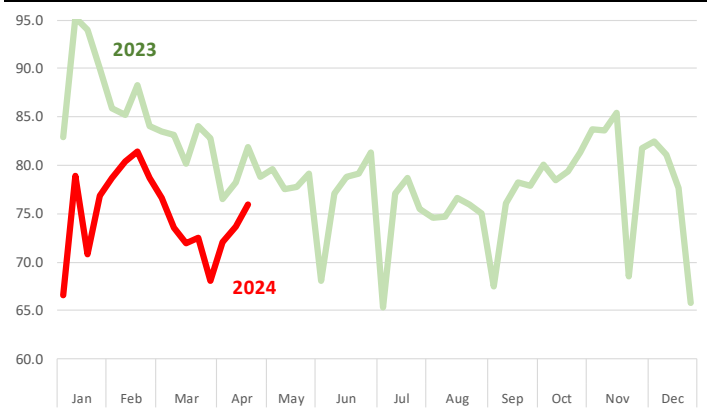
CHOICE BEEF CUTOUT

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



Weekly US Cow Meat Production. Million Lb.

Data source: USDA-NASS,AMS. Analysis and Projections from Steiner Consulting



last three weeks, fed beef production has been 65 million pounds (+5.2%) higher than a year ago. Consider also that beef imports during this period were up while exports declined, implying that per capita beef availability during this period has been far higher than +5% vs. last year. The choice beef cutout has been drifting lower in the last three weeks, leading to speculation that beef demand may be leaking. That is certainly a concern but we should not lose sight of the fact that beef supply

has increased at a time when high retail and food-service beef prices are limiting sales.

Non fed beef production remains under year ago levels but it **has increased substantially compared to late March**. Cow/bull slaughter for the week ending April 19 was estimated at 128k head. This was still about 10% lower than a year ago but it was the highest weekly slaughter since the last week of February. Also important to note is that cow carcass weights are running about 3% higher than a year ago. This has helped blunt some of the impact of lower slaughter. Non fed beef production for the most current week may still be 7% lower than last year but it was about 6% higher than the weekly average in March.

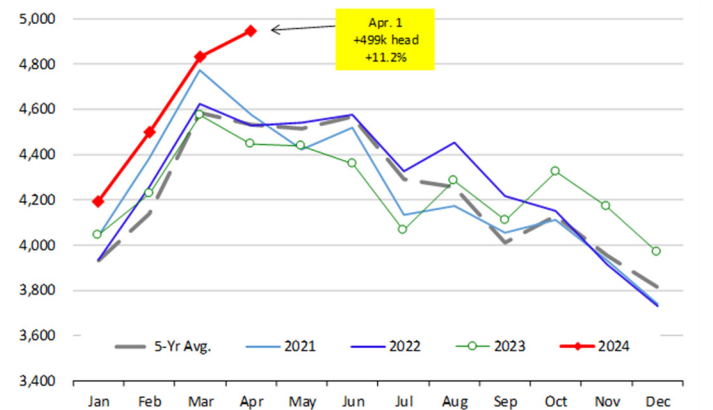
Front end cattle supply up double digits vs. year ago. As of April 1, the total supply of cattle on feed at 11.821 million head was slightly lower than the previous month but still 174k head (+1.5%) higher than a year ago. Higher placements last fall and the slowdown in the pace of slaughter in Q1 has resulted in more long fed cattle than at this time last year or historically. As of April 1 the inventory of cattle that had been on feed for more than 150 days was estimated at 528k head, 20% higher than a year ago. The inventory of cattle with +120 days on feed was also near 500k head, 11% higher than last year. Fed cattle weights are currently running 3% above last year and have been counter seasonally higher.

U.S. ALL CATTLE ON FEED: 1,000+ CAPACITY FEEDLOTS

Source: USDA/NASS. Analyst Estimates from Umer Barry

	Number, Thousand Head			Current Year as % of Year Prior		
	2022	2023	2024	Actual	Estimates	Difference
Placed on Feed During Mar	2,005	1,992	1,746	87.7	92.1	-4.4
Fed Cattle Marketed in Mar	2,000	1,977	1,706	86.3	88.2	-1.9
On Feed April 1	12,145	11,647	11,821	101.5	102.0	-0.5

INVENTORY OF CATTLE THAT HAVE BEEN ON FEED FOR 120 DAYS OR MORE
 Calculated using the USDA Monthly "Cattle on Feed" Report

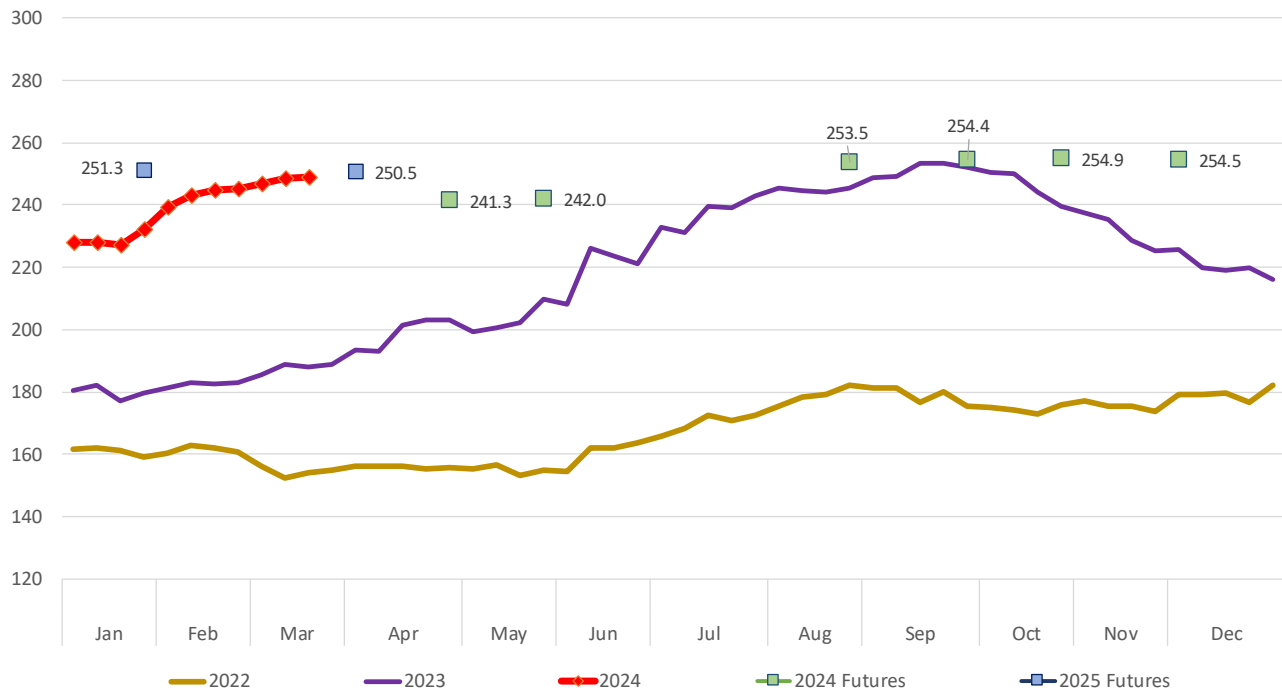


CME Cattle Feeder Index and US Cattle Markets

	Current Week	Prior Week	% CHANGE VS. WK AGO	Last Year	Change from Last Year
	18-Apr-24	11-Apr-24		20-Apr-23	
CME FEEDER CATTLE INDEX	241.73	244.57	-1.2%	203.10	19.0%
	19-Apr-24	12-Apr-24		21-Apr-23	
FED STEER (5-MKT AVG)	183.52	184.33	-0.4%	178.72	2.7%
CUTTER COW CARCASS, NATIONAL, 90% LEAN, 350-400 LB. (carcass wt.)	221.50	223.50	-0.9%	167.50	32.2%
BONER COW CARCASS, NATIONAL, 85% LEAN, 400-500 LB. (carcass wt.)	224.00	225.50	-0.7%	170.50	31.4%
BREAKER COW CARCASS, NATIONAL, 75% LEAN, 500+ (carcass wt.)	229.50	216.50	6.0%	169.00	35.8%
CUTTER COW CARCASS CUTOUT, 5-DAY MA, USDA	269.72	269.57	0.1%	217.66	23.9%

CME Feeder Cattle Index. Actual + Futures for 2024 and 2025

Source: CME. Analysis by Steiner Consulting



Source: Chicago Mercantile Exchange

TABLE 2 – IMPORTED BEEF PRICES, 7:45 DAYS, CIF

	Current Week		Prior Week		Change From Last Week	Last Year		Change From Last Year
	19-Apr-24	29-Apr-24	12-Apr-24	22-Apr-24		21-Apr-23	21-Apr-23	
<u>US East Coast Australian/NZ Lean, CIF</u>								
95 CL Bull, E. Coast	290.0	292.0	290.0	293.0	-1.0	278.0	280.0	12.0
90 CL Blended Cow	280.0	285.0	280.0	285.0	0.0	260.0	261.0	24.0
90 CL Shank		280.0		280.0	0.0	248.0	250.0	30.0
85 CL Fores	273.0	274.0	274.0	275.0	-1.0	249.0	250.0	24.0
85 CL Chucks		UNQ		UNQ	N/A		UNQ	N/A
95 CL Bull, W. Coast	290.0	292.0	290.0	292.0	0.0	277.0	278.0	14.0
Uruguay CFH 90CL, E. Coast		UNQ		UNQ	N/A		UNQ	N/A
<u>US East Coast, Trimmings, CIF</u>								
85 CL Trimmings	270.0	272.0	270.0	274.0	-2.0	248.0	249.0	23.0
80 CL Trimmings		230.0		230.0	0.0	214.0	215.0	15.0
75 CL Trimmings		200.0		200.0	0.0	205.0	208.0	-8.0
65 CL Trimmings	135.0	137.0		135.0	2.0		UNQ	N/A
<u>US East Coast Australian Cuts, CIF</u>								
Cap Off Steer Insides	335.0	340.0	335.0	340.0	0.0	320.0	325.0	15.0
Steer Insides 14/18		UNQ		UNQ	N/A		UNQ	N/A
Steer Flats		310.0		310.0	0.0	275.0	290.0	20.0
Steer Knuckles	300.0	305.0	300.0	305.0	0.0	305.0	310.0	-5.0

TABLE 3 – IMPORTED BEEF PRICES, 7:45 DAYS, US WAREHOUSE

	Current Week		Prior Week		Change From Last Week	Last Year		Change From Last Year
	19-Apr-24	30-Apr-24	12-Apr-24	23-Apr-24		21-Apr-23	21-Apr-23	
<u>US East Coast Australian/NZ Lean, FOB US Port</u>								
95 CL Bull, E. Coast	305.0	307.0	308.0	309.0	-2.0	290.0	291.0	16.0
90 CL Blended Cow	293.0	294.0	295.0	297.0	-3.0	269.0	270.0	24.0
90 CL Shank		290.0		290.0	0.0		260.0	30.0
85 CL Fores	286.0	287.0	287.0	290.0	-3.0	257.0	259.0	28.0
85 CL Chucks		UNQ		UNQ	N/A		UNQ	N/A
95 CL Bull, W. Coast	305.0	306.0	307.0	308.0	-2.0	289.0	290.0	16.0
Uruguay CFH 90CL, E. Coast		UNQ		UNQ	N/A		UNQ	N/A
<u>US East Coast, Trimmings, FOB US Port</u>								
85 CL Trimmings	284.0	285.0	285.0	288.0	-3.0	257.0	258.0	27.0
80 CL Trimmings	244.0	245.0	244.0	245.0	0.0	227.0	229.0	16.0
75 CL Trimmings	205.0	207.0	210.0	215.0	-8.0	216.0	218.0	-11.0
65 CL Trimmings		145.0		145.0	0.0		UNQ	N/A
<u>US East Coast Australian Cuts, FOB US Port</u>								
Cap Off Steer Insides	350.0	360.0	350.0	360.0	0.0	340.0	345.0	15.0
Steer Insides 14/18		UNQ		UNQ	N/A		UNQ	N/A
Steer Flats	325.0	330.0	325.0	330.0	0.0	295.0	310.0	20.0
Steer Knuckles		320.0		320.0	0.0	320.0	325.0	-5.0

TABLE 4 – US DOMESTIC BEEF AND CATTLE PRICES

	Current Week			Prior Week			Change From Last Week	Last Year			Change from Last Year
	19-Apr-24			12-Apr-24				21-Apr-23			
	Low	High	Wt.Avg	Low	High	Wt.Avg		Low	High	Wt.Avg	
<u>Domestic Cutouts</u>											
Choice Cutout	295.67			300.57			-4.9	306.60			-10.9
Select Cutout	290.83			295.54			-4.7	287.80			3.0
<u>Domestic Lean Grinding Beef</u>											
90 CL Boneless	324.0	359.0	345.3	336.0	357.0	346.9	-1.5	269.5	283.5	276.0	69.3
85 CL Beef Trimmings	317.0	341.0	326.4	317.0	341.0	326.4	0.0	250.0	272.0	257.0	69.4
50 CL Beef Trim	78.0	109.0	88.1	84.0	109.0	94.1	-6.0	160.1	189.0	177.6	-89.5
<u>Domestic Pork Trim</u>											
42 CL Pork Trim	75.0	99.0	78.8	63.4	99.0	74.8	4.0	47.1	77.0	53.1	25.7
72 CL Pork Trim	99.5	124.8	106.3	95.0	128.0	103.3	3.0	65.4	109.9	72.8	33.6
<u>Point of Lean Values</u>											
90 CL Domestic	383.7			385.4			-1.7	306.6			77.0
50 CL Beef Trimming	176.1			188.1			-12.0	355.2			-179.1
42 CL Pork Trim	187.6			178.2			9.4	126.5			61.1
72 CL Pork Trim	147.7			143.5			4.2	101.0			46.6
<u>National Direct Fed Steer</u> <u>(5-day accum. wt. avg. price)</u>	183.52			184.33			-0.8	178.72			4.8

TABLE 5 – FUTURES AND SLAUGHTER INFORMATION

Futures Contracts	Current Week	Prior Week	Change From Last		Last Year	Change From	
			Week	Week		Last Year	Last Year
	19-Apr-24	12-Apr-24			21-Apr-23		
<u>Live Cattle Futures</u>							
April '24	181.475	178.900	↑	2.57	173.975	↑	7.50
June '24	175.675	171.475	↑	4.20	164.525	↑	11.15
August '24	173.550	168.750	↑	4.80	163.550	↑	10.00
October '24	176.750	171.775	↑	4.97	167.825	↑	8.93
<u>Feeder Cattle Futures</u>							
April '24	241.325	237.600	↑	3.73	203.775	↑	37.55
May '24	242.000	234.200	↑	7.80	212.400	↑	29.60
August '24	253.500	245.500	↑	8.00	229.875	↑	23.63
September '24	254.425	246.950	↑	7.48	232.425	↑	22.00
<u>Corn Futures</u>							
May '24	433.500	435.500	↓	-2.00	663.250	↓	-229.75
July '24	443.000	447.250	↓	-4.25	615.250	↓	-172.25
September '24	451.250	456.750	↓	-5.50	552.750	↓	-101.50
December '24	466.250	472.000	↓	-5.75	548.000	↓	-81.75
<u>Ch Wheat Futures</u>							
May '24	550 1/4	556	↓	-5.75	661 3/4	↓	-111.50
July '24	566 3/4	570 3/4	↓	-4.00	673	↓	-106.25
September '24	584	586 1/2	↓	-2.50	683	↓	-99.00
December '24	608 3/4	609 3/4	↓	-1.00	697 3/4	↓	-89.00

Slaughter Information	7 Days Ending	7 Days Ending	Change From Last		7 Days Ending	Change From	
			Week	Week		Last Year	Last Year
	20-Apr-24	13-Apr-24			22-Apr-23		
<u>Total Cattle Slaughter</u>	620,000	603,000	↑	17,000	625,370	↓	-5,370
	6-Apr-24	30-Mar-24			8-Apr-23		
<u>Total Cow Slaughter</u>	110,269	105,116	↑	5,153	120,646	↓	-10,377
<u>Dairy Cow Slaughter</u>	57,380	56,669	↑	711	61,683	↓	-4,303
<u>Beef Cow Slaughter</u>	52,889	48,447	↑	4,442	58,963	↓	-6,074

TABLE 7 - US BEEF IMPORTS (Source: USDA/AMS)

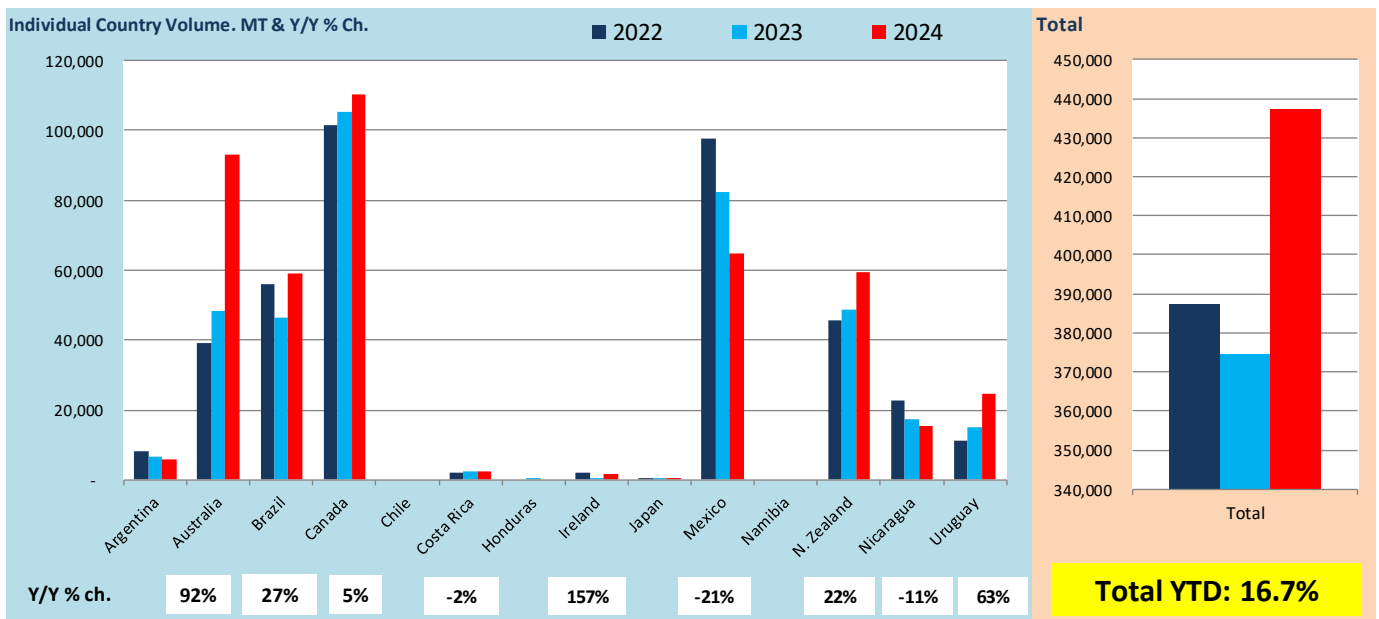
YTD Imported Fresh/Frz Beef Passed for Entry in the US

week 15	4/15/2023	4/13/2024		
Argentina	6,639	5,755	(884)	-13.3%
Australia	48,419	93,002	44,583	92.1%
Brazil	46,504	58,958	12,454	26.8%
Canada	105,362	110,308	4,946	4.7%
Chile	-	-	-	
Costa Rica	2,636	2,588	(48)	-1.8%
France	-	-	-	
Honduras	19	-	(19)	-100.0%
Ireland	687	1,767	1,080	157.2%
Japan	625	557	(68)	-10.9%
Mexico	82,478	64,848	(17,630)	-21.4%
Namibia	-	-	-	
Netherlands	-	-	-	
New Zealand	48,664	59,546	10,882	22.4%
Nicaragua	17,550	15,554	(1,996)	-11.4%
Spain	-	-	-	
Uruguay	15,060	24,495	9,435	62.6%
Total	374,663	437,378	62,715	16.7%

Source: AMS - USDA

US Fresh/Frozen Beef Imports. Metric Ton. Data Source: USDA/Agricultural Marketing Service

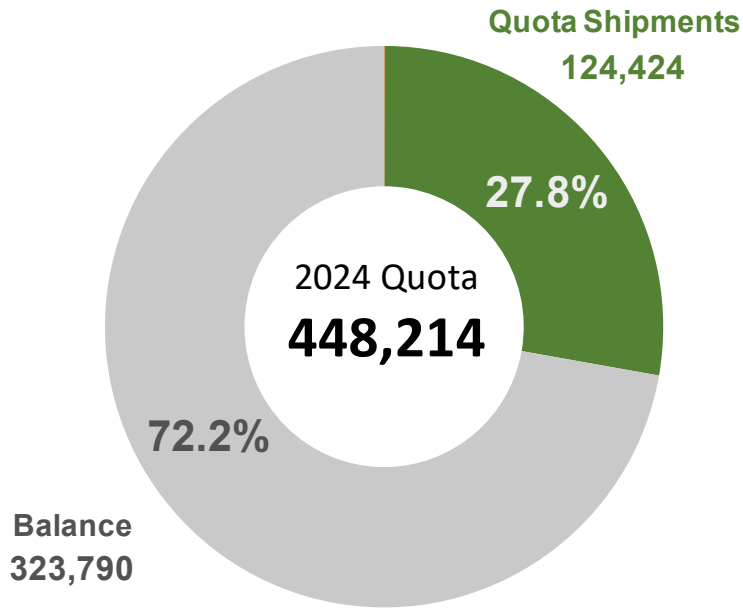
Imports as of April 13, 2024



Australian Beef Quota Position

18-Apr-24

Metric Ton. Australian Department of Agriculture Statistics



Australia still has a quota in place even though beef no longer faces a quota based tariff. The over quota product is now subject to a safeguard duty. Due to this DAFF continues to report volume shipped against quota.

USA Quota Entries through Week Ending April 15. Metric Ton

Data source: US Customs. Analysis by Steiner Consulting

