



Global Beef Market Monthly Review

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Volume 6, Issue 2

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Key numbers

China: No data reported for January due to the Chinese New Year. USDA is currently forecasting Chinese beef imports to be down 1%. We think Chinese imports will increase marginally.

Japan: Beef imports in January were 8% higher than the previous year. Imports from Australia were up 37% while imports from the US were down 6%. We are more bullish about Japanese beef imports in 2024 than USDA, expecting a 2.7% increase vs. 0.7% from USDA.

S. Korea: Following a slowdown in imports later in 2023 S. Korean buyers were back in force, with total imports in January up 25% from a year ago. A big surge in imports from Australia accounted for much of the increase. Current forecasts are for S. Korean beef imports to increase 2% in 2024 following a marginal decline in 2023.

USA: Total US imports in 2023 were up 10.2% from the previous year. Our current forecast is for imports to increase another 8.5% in 2024, driven largely by a 20% increase in imports from Australia and higher imports from other markets as well. US exports are expected to decline 5.7% in 2024 as supply reduction and high prices impact sales to key markets in Asia.

Brazil: Brazilian beef exports in January were up 13% despite a slight decline in exports to China, its key market. We still expect China to account for about 60% of Brazilian exports in 2024. Shipments are expected to be up 3% in the current year, with robust growth expected in the Middle East, EU and several other smaller markets.

Argentina: The weak currency continues to push more beef into the world market, with December exports up 30%. Our current forecast is for Argentine beef exports to be up 3% in 2024 despite an expected decline in production.

Main Global Meat Trading Countries, Both Export and Import, MT

Data sources: Various. Analysis and Forecasts by Steiner Consulting

Countries	% of global trade	Most Recent Trade Data	Y/Y Ch.	Y/Y % ch.	2023	2024 Estimate	Y/Y Ch.	Y/Y % ch.	
EXPORTS					5,227,711	5,361,072	133,362	2.6%	
Australia	11%	Jan 2024	75,585	24,114	47%	1,082,405	1,161,690	79,284	7.3%
Argentina	6%	Dec 2023	61,452	14,052	30%	683,397	703,899	20,502	3.0%
New Zealand	6%	Jan 2024	39,119	-3,005	-7%	497,609	523,253	25,644	5.2%
Brazil	20%	Jan 2024	181,690	21,499	13%	1,996,585	2,059,676	63,091	3.2%
USA	14%	Dec 2023	80,367	-5,220	-6%	967,714	912,554	-55,160	-5.7%
IMPORTS					5,005,310	5,138,291	132,982	2.7%	
USA	15%	Dec 2023	105,328	17,468	20%	1,194,175	1,295,680	101,505	8.5%
China	30%	Dec 2023	241,021	-541	0%	2,736,186	2,755,378	19,192	0.7%
Hong Kong	4%	Dec 2023	8,267	1,614	24%	96,565	98,980	2,414	2.5%
Japan	8%	Jan 2024	43,258	3,344	8%	503,964	507,488	3,524	0.7%
S. Korea	6%	Jan 2024	67,061	13,402	25%	474,419	480,765	6,346	1.3%

*** Product wt. basis. Projections for 2022 made by Steiner Consulting.

North America Market Update

United States: US red meat and poultry production is down to start the year and the reduction in beef output is the main contributor for the overall supply decline. Beef production since the start of the year was 4.467 billion pounds, down 194 million pounds (-4.2%) from a year ago. Some of this is due to the disruptions created by winter storms to start the year. However, since then overall slaughter/supply has remained limited. Last week total cattle slaughter was 599k head, down 4.2% vs. a year ago and down 9% and 10% respectively vs. 2022 and 2021. That cattle numbers are down should not come as a surprise to anyone that has been paying attention. But what may be surprising is that weekly fed cattle slaughter in the four complete February weeks averaged 2.2% under last year even as the supply of market ready cattle on February 1 was 6% higher than last year. Packers are struggling with negative margins and reducing slaughter while feedlots are struggling to find replacement stock and are in no rush to market what they have.

The decline in production combined with lower inventory levels are likely to impact supply availability in Q2. All beef inventory at the end of January was down 11% vs. year ago. This was the lowest inventory level for this time of year since 2014. The inventory drawdown was 1% in January vs. an average 1% increase in the last five years. Boneless beef inventories remain limited, down 12% y/y. The inventory of boneless beef was down despite significantly more imported beef coming in. The inventory of boneless beef in the Middle Atlantic region, which includes port of PA, was down 3% y/y, likely reflecting the increase in imports. Inventories in the West South Central region, however, were down 18%.

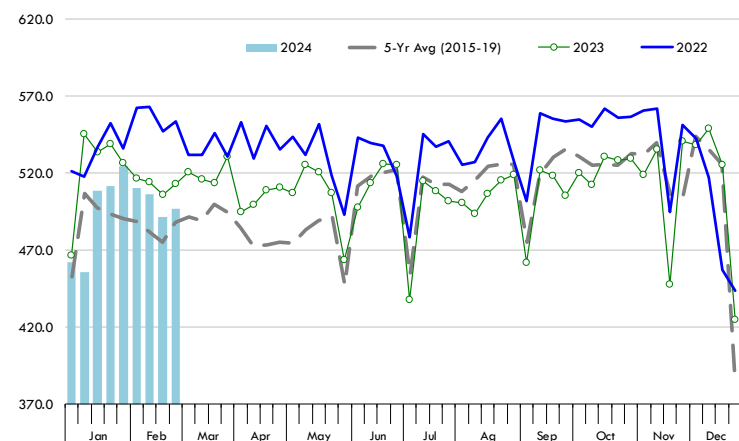
US cow numbers have been limited so far this year and historic fires in Texas have the potential to make an already difficult situation worse. For the week ending March 2 the combined slaughter of bulls and cows was estimated at 128k head down 8% from a year ago and 10% lower than the five year average. The most current revised data is for the week ending February 17 and it shows that the initial report was revised down by 3k head (-2.2). Since the start of the year, US cow/bull slaughter has been 162k head (-12.4%) smaller than a year ago. The shortfall has supercharged the value of 90CL beef, currently trading around \$315/cwt, 18% higher than a year ago.

Mexico: January production levels were in line with estimates. For the past few years Mexican beef production has been increasing at around 2-2.5% per year and so far that trend remains intact. Total beef output in January on a carcass weight basis was estimated at 177,482 MT, 2.4% higher than the previous year.

The strong Mexican peso continues to incentivize lower exports and higher imports. The US market is the top market for Mexican beef and despite robust beef prices in the

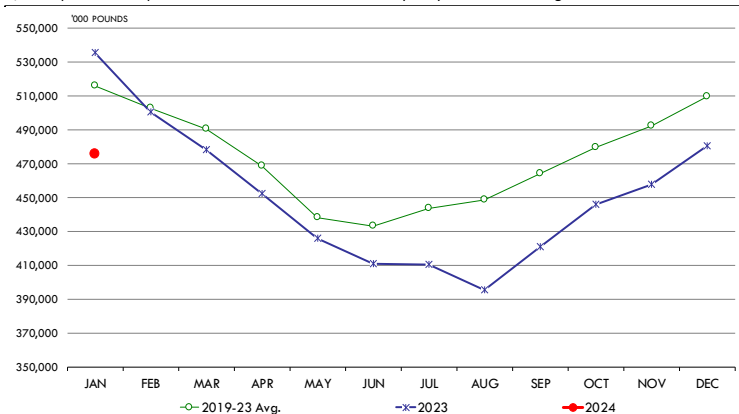
Weekly US Beef Production. Million Pounds. Carcass Wt. Basis

Source: USDA-NASS and USDA-AMS. Analysis by Steiner Consulting



MONTHLY VOLUME OF ALL BEEF IN COLD STORAGE.

Y/Y Comparison. '000 POUNDS. Data source: USDA-NASS. Analysis by Steiner Consulting



US, imports from Mexico in the first two months of the year were 27% lower than a year ago. Mexican trade statistics are reported with a significant lag. But the impact of the strong currency and robust domestic demand is nonetheless evident. In November Mexico imported 19% more beef than a year ago. Imports from the US, the top supplier, were up 13% but imports from other markets, including Australia, were 51% higher. For all of 2023 our current projections is for Mexican imports to be up about 22% than in 2022.

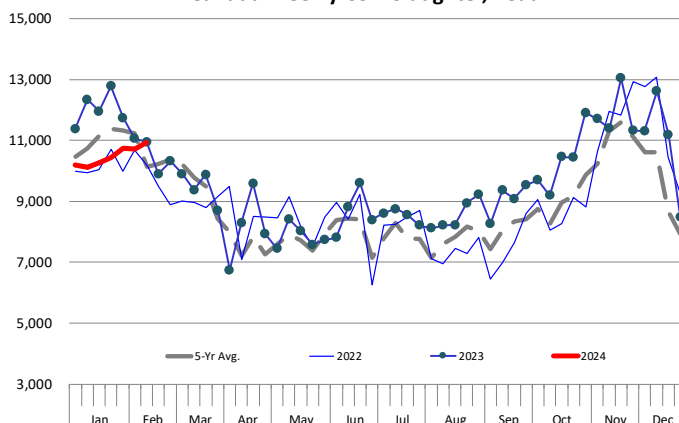
Canada: Weather disruptions caused a lot of volatility in slaughter during January. While slaughter is currently following a more stable path, overall volume remains below year ago levels, particularly fed cattle slaughter. In the last two weeks fed cattle slaughter has averaged around 8% below year ago levels. Cow slaughter, on the other hand, was down 1.5% in the last two weeks. Cow prices were trading at a significant discount to the US market in early January but that trend has changed and reports from Canadian sources suggest slaughter cow prices in Alberta are now trading above US prices and approaching the record levels established last summer. Lower

North America (continued)

cow inventories and improving weather conditions will limit cow slaughter in Q2, with new record prices expected by late April or May.

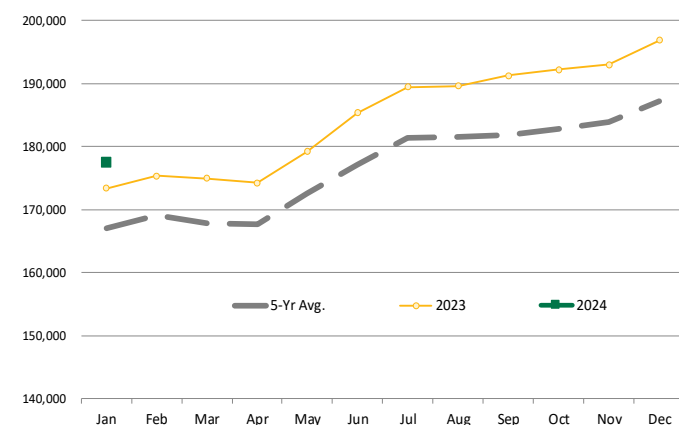
Fed cattle supply in Canada will remain limited both due to the impact of the smaller calf crop and modest herd rebuilding activity but also an increase in the number of feeder cattle shipped to the US market. In January placements of cattle in Alberta and Saskatchewan feedlots were 124,301 head, down 14% from a year ago. Different from the US, the feedlot survey in Canada breaks down placements of heifers and steers. January placements showed a 27% decline in heifer placements. This followed a 15% decline in December and 17% decline in November. Canadian producers have started to hold back a few more heifers, something that we have yet to observe in the US.

Canada Weekly Cow Slaughter, head

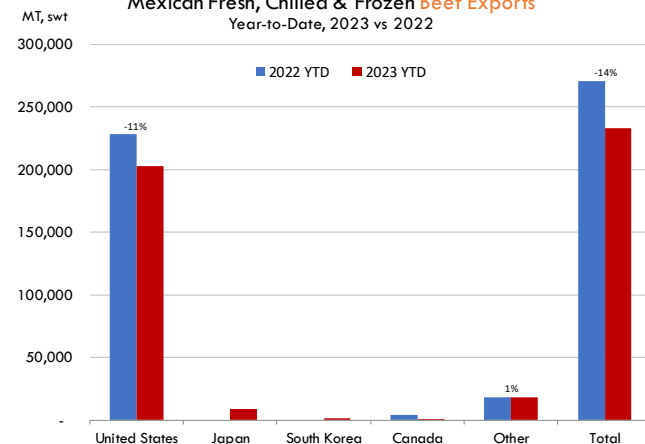


Mexico Beef Production

Source: SAGARPA



Mexican Fresh, Chilled & Frozen Beef Exports
Year-to-Date, 2023 vs 2022

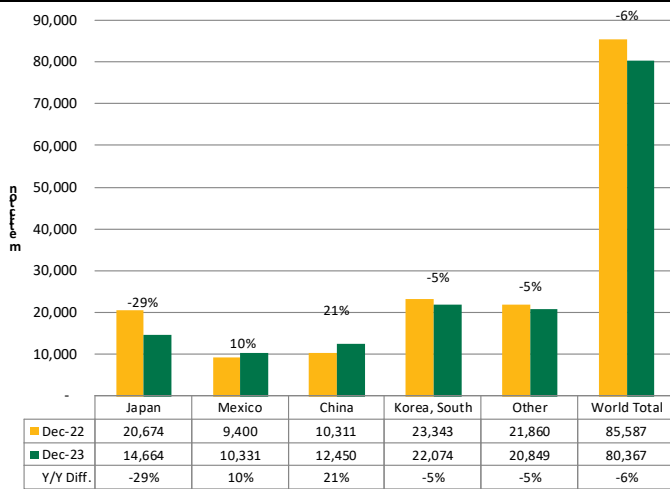


North America Trade Statistics

USA Fresh/Frozen Beef Exports

Latest Data for December

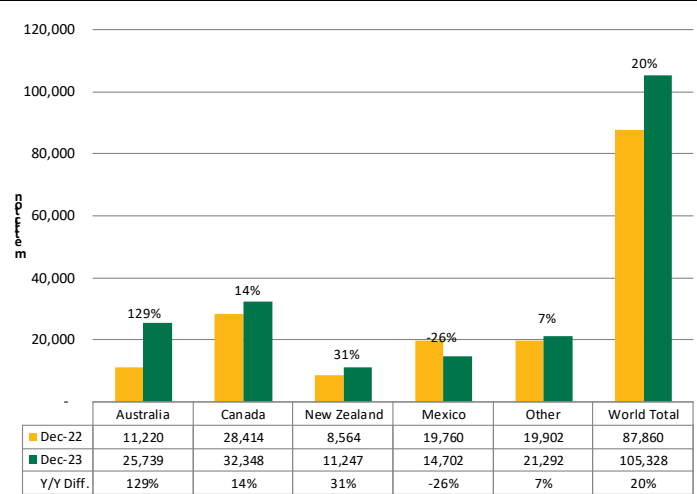
Units: Metric Tons



USA Fresh/Frozen Beef Imports

Latest Data for December

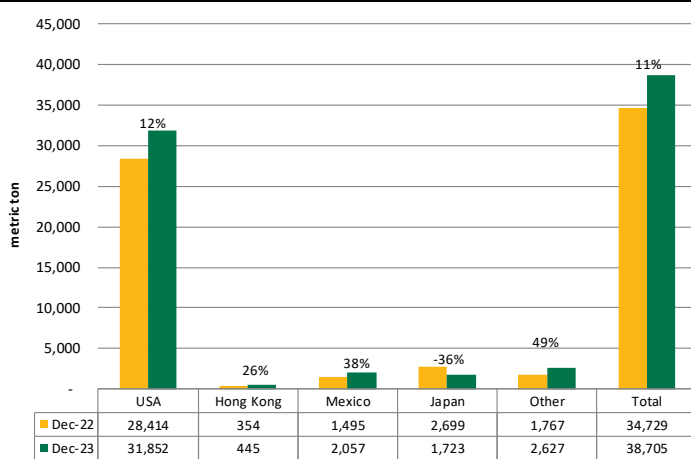
Units: Metric Tons



Canada Fresh/Frozen Beef Exports

Latest Data for December

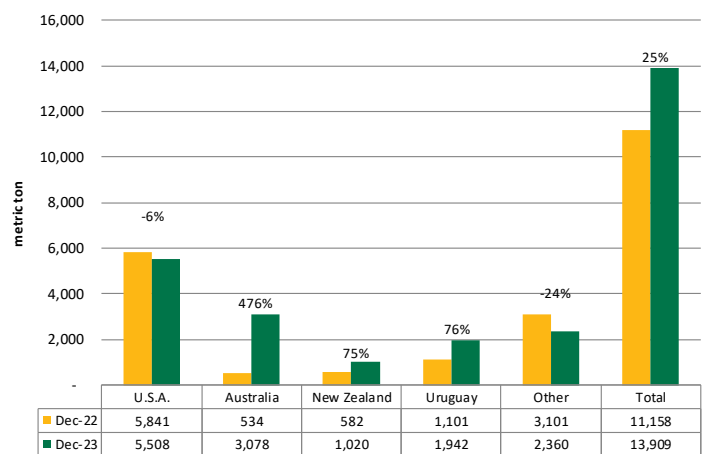
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Canada Fresh/Frozen Beef Imports

Latest Data for December

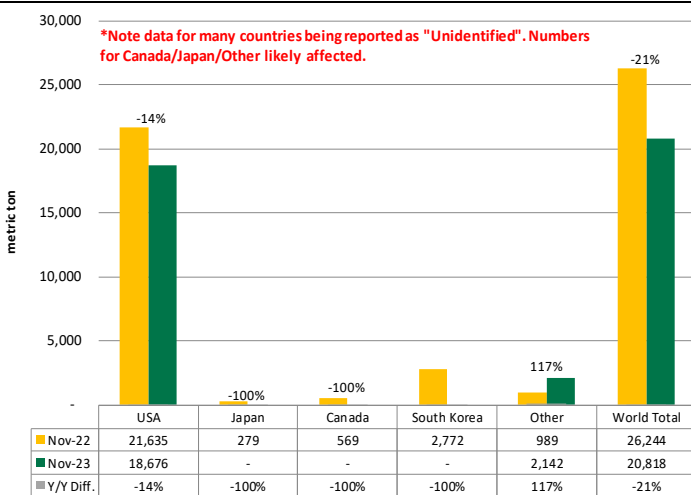
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Mexico Fresh/Frozen Beef Exports

Latest Data for November

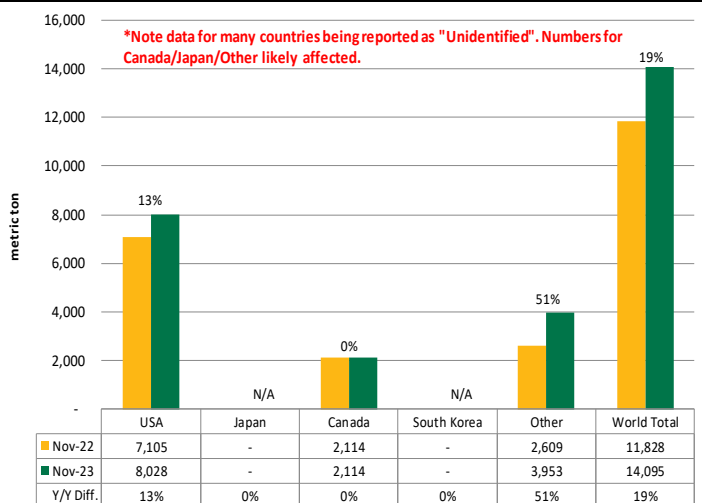
Units: Metric Tons



Mexico Fresh/Frozen Beef Imports

Latest Data for November

Units: Metric Tons



South America Market Update

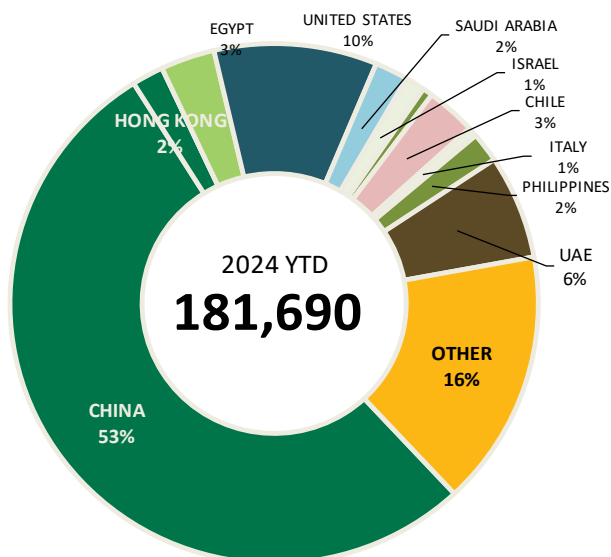
Brazil: Brazilian cattle slaughter has been well above expectations in the last three months, with January preliminary figures pegged some 24% above year ago levels. In the last three months, slaughter has been almost 20% above year ago levels. Cattle prices in Brazil have slumped as more supply shows up in the market and sales to China have slowed down. In February cattle prices averaged about 14% lower than last year's already depressed prices and prices have been trending lower since the start of the year.

The increase in slaughter has resulted in more exports even as sales to China have been steady to lower. Total Brazilian exports of fresh/frozen beef in January were 181,690 MT, almost 22,000 MT (+13%) higher than the previous year. China and Hong Kong accounted for about 55% of all exports but this is down from the share the last two years. Shipments to China Mainland in January were 96,329 MT, 3% lower than a year ago while shipments to Hong Kong at 3,532 MT were near the same as last January. The limited US quota encouraged exports to ramp up shipments to the US, reported at 18,129 MT, 48% higher than the previous year. This follows another 18,110 MT shipped in December and combined with the supply of beef sitting in bonded warehouses has resulted in the US quota now near filled. Smaller markets accounted for the bulk of the increase in January exports. Exports to UAE were 10,701 MT vs. 1,533 MT in January 2023 and shipments to Mexico were 2,242 MT vs. nothing a year ago.

Argentina: USDA forecasts are calling for an 11% decline in Argentinian cattle slaughter in 2024. That may prove to be too aggressive considering the start of the year. Slaughter in January was 1.158 million head, 3.2% lower than last year but 6% higher than the five year average. For the USDA forecast to have any chance of being correct slaughter in 2024 needs to be well below the five year average. The weakness in the peso continues to push more beef into export channels even as slaughter is below year ago levels. The most current export data is for December, showing total shipments of fresh/frozen beef for the month were 61,452 MT, 30% higher than the previous year. Cattle slaughter in December was down almost 10%. Chinese buyers may have slowed down their beef purchases in other markets, such as Brazil or Uruguay, but they continue to bid on Argentinean beef and take advantage of the currency devaluation. Total exports to China in December were 49,214 MT, 29% higher than a year ago. For all of 2023 Argentinian beef exports to China were 537,123 MT, 8% higher than the previous year and accounting for almost 79% of all Argentine beef exports. The second biggest market for Argentinean beef was Israel and the US was third, taking almost 24,000 MT, 18% more than the previous year.

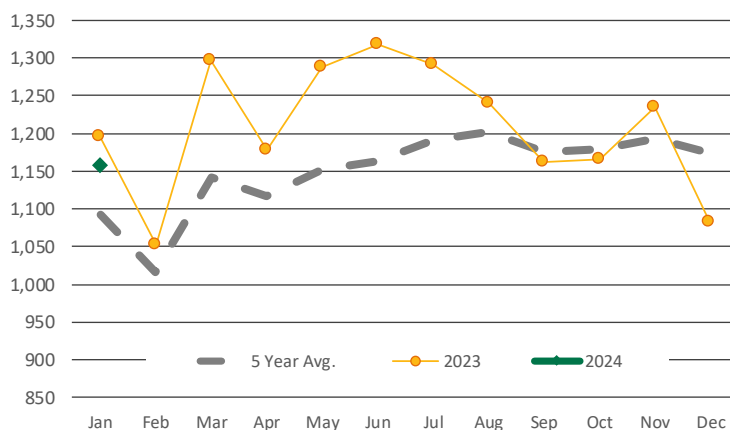
YTD Brazil Beef Fr/Frz Beef Exports. Metric Ton

Source: COMEX. Jan - Jan



Monthly Argentina Cattle Slaughter, Total Slaughter. '000 Head

Source: MAGYP. Analysis by Steiner Consulting



Uruguay: Slaughter is largely following the seasonal trend for this time of year and overall volume near the same level as last year. In the four weeks ending February 17 slaughter averaged 49,205 head/week, just 0.2% higher than a year ago and 5.8% higher than the five year average. Steer slaughter during this period was 6.7% lower than last year while cow slaughter averaging 18,345 head/week was up 27% y/y.

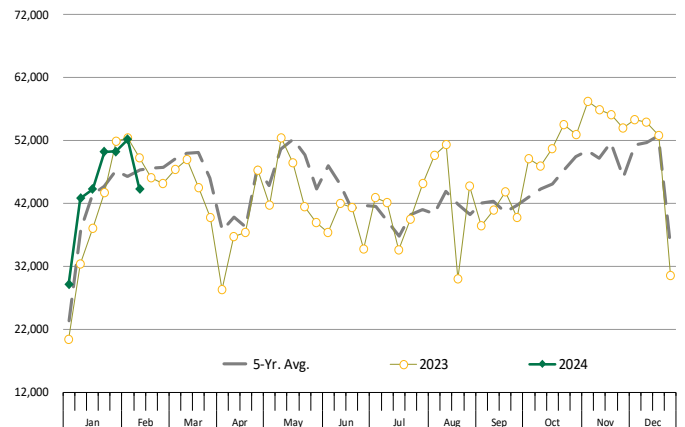
Strong demand in export markets and the increase in cow slaughter has bolstered exports overall and exports to the US market in particular. Total shipments in January were 31,423 MT, 8,229 MT (+35%) higher than a year ago. Exports to the US were 6,687 MT, up almost 3,500 MT (+108%) from a year ago. China remains the top market to start the

South America (continued)

year although higher prices in the Uruguayan market have Chinese buyers looking to cover needs in Argentina and Brazil first. Shipments to China were 15,507 MT, 7% higher than last year but making up 49% of all exports. In 2023 China accounted for almost 64% of all Uruguayan beef export shipments. Current forecasts are for Uruguayan cattle slaughter to increase 3.2% from the previous year but still remain well below 2022 levels.

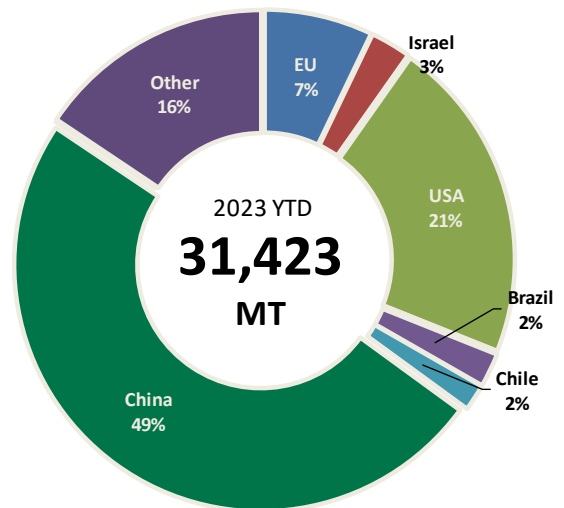
Uruguay Cattle Slaughter, Total

Weekly Slaughter in Head. Source: World Beef Report



YTD Uruguayan Exports of Fresh/Frozen Beef. Top Markets

Source: World Beef Report. Analysis by Steiner Consulting

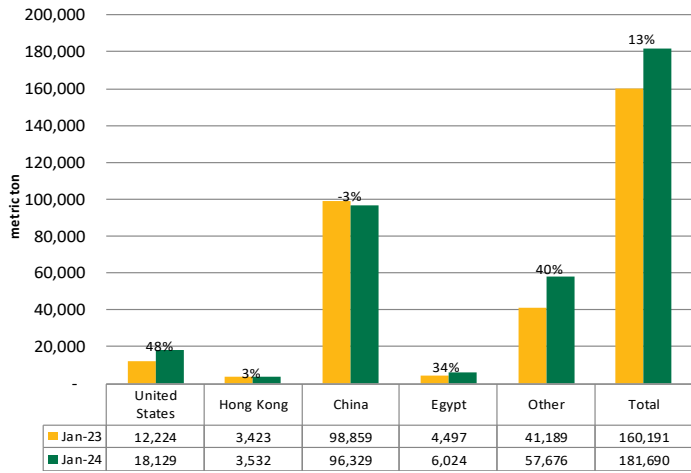


South America Trade Statistics

Brazilian Fresh/Frozen Beef Exports in January 2024 vs. January 2023

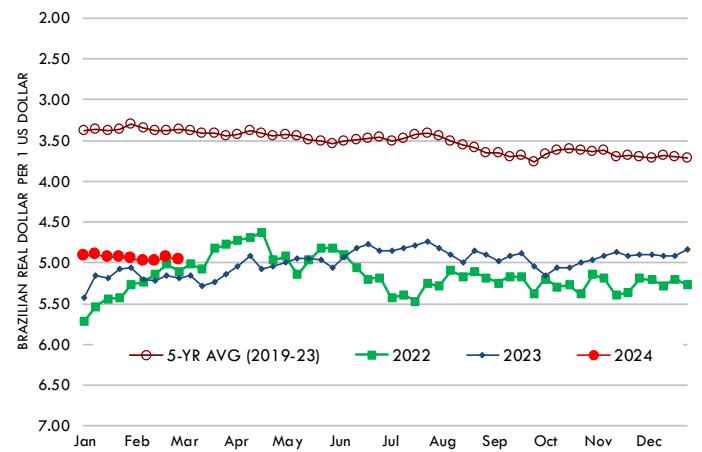
Analysis by Steiner Consulting

Units: Metric Tons



Brazilian Real Per 1 US Dollar

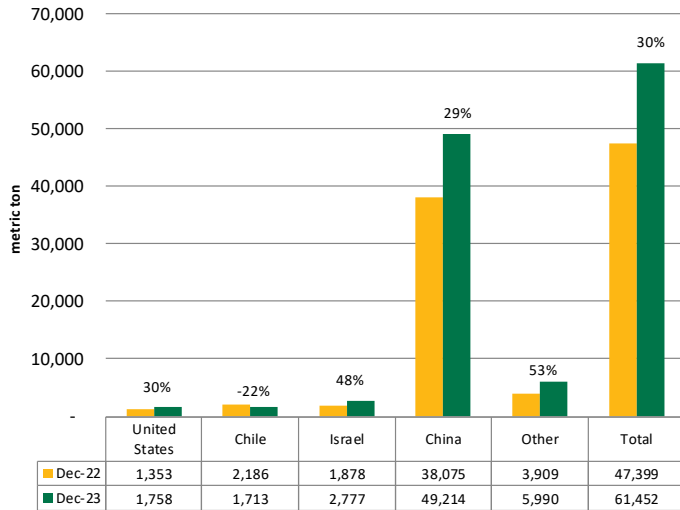
Y/Y Comparison of Weekly Exchange Rate



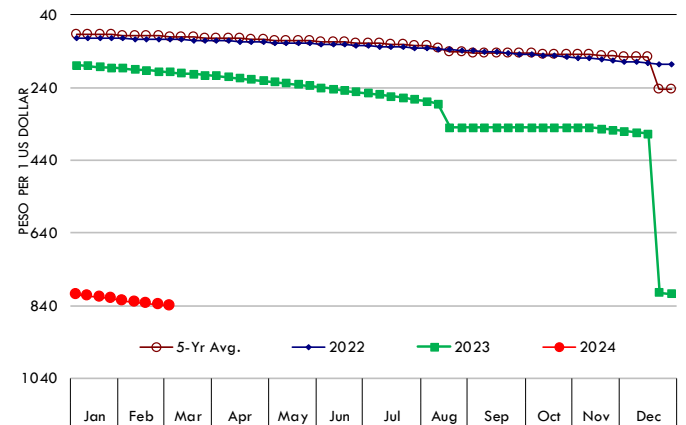
Argentina Fresh/Frozen Beef Exports

Latest Data for December

Units: Metric Tons



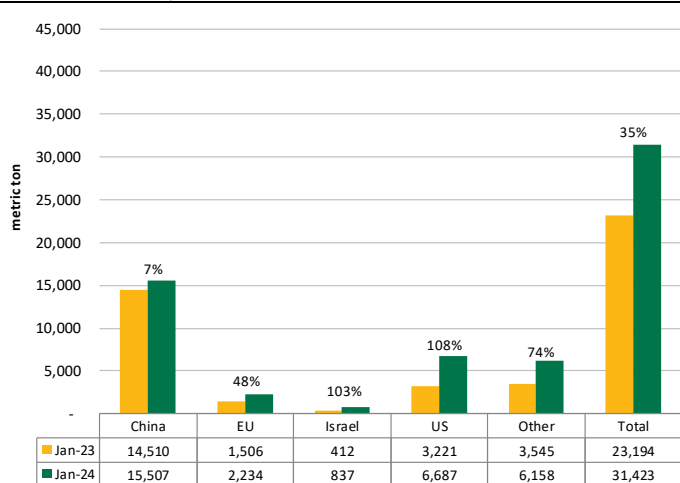
Argentine Peso Per 1 US Dollar



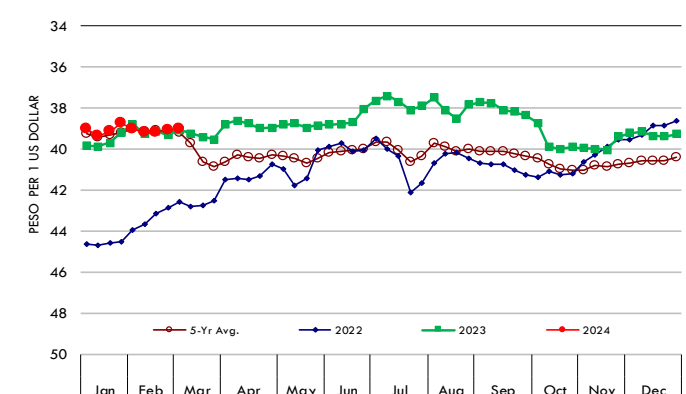
Uruguayan Fresh/Frozen Beef Exports

Latest Data is for January 2024

Units: Metric Tons



Uruguay Peso Per 1 US Dollar

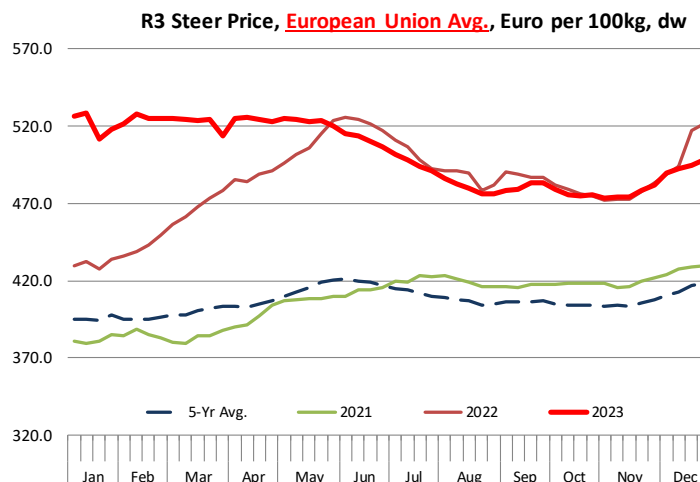


Asia / EU Market Update

European Union: Robust prices encouraged Irish producers to push more cattle to slaughter through February. In the four weeks ending February 18 total cattle slaughter in Ireland averaged 36,430 head/week, 1.2% higher than a year ago. The supply of cows coming to market has been especially heavy, with slaughter during the reference four week period up almost 14% from a year ago. Heifer slaughter averaged 10,764 head/week, 2.8% higher than last year. Other categories were mixed. Steer slaughter averaged 1.1% vs. last year while young bull slaughter was 2.1% lower. It is unlikely that the current processing pace will be sustained in the spring. Last year slaughter peaked in early February, the same as this year and then drifted lower in March and April. The increase in slaughter has put only modest downward pressure on prices. The average price of R3 steers in Ireland for the week ending 2/18 was 516 euro per 100 kg, down from 519 two weeks ago and 2.1% lower than last year. Last year prices were steady to modestly higher into spring on seasonal demand improvement. Cow prices have only eased modestly despite the double digit increase. The latest quote pegged the average price of O3 cows at 412 euro per 100 kg, lower than the 415 paid in late January but 9% lower than last year. In general cow prices tend to trend higher into early May and then move lower into the summer. Last year prices were especially robust into early spring before dropping 15% between late April and early August.

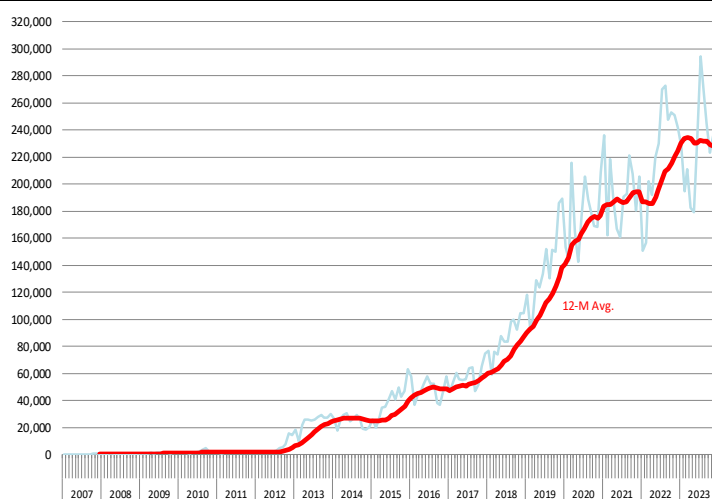
US imports of Irish beef were higher to start the year, with almost 1,100 MT cleared through February, about triple the volume imported last year. However, now that the quota available is mostly filled, US imports will mostly disappear.

China: Chinese beef imports for December were down less than a percent y/y. Imports from Australia were down for the first time in 2023 during December. YTD imports for 2023 ended the year up 1.8%. The Chinese economy is still recovering following COVID lockdowns, but expectations are for beef demand growth to be more muted in 2024. Brazil remains the top exporter to China making up 43% of all imports. Ships from Brazil were stopped in early March due to BSE infections but have since resumed. USDA is currently forecasting Chinese domestic beef production to increase 4.4% in 2023 following a 2.8% increase in 2022. The Chinese cattle herd on January 1, 2023 is projected at 101.5 million head, 3.4% higher than the previous year. Both beef and dairy herd numbers are expected to increase at the same rate of 0.4%. We expect the dairy herd to increase at a faster pace while beef cow supply growth continues to be constrained by high feed costs and other resource constraints. The Chinese beef market has be-



Monthly **Chinese Imports of Fresh/Frozen Beef**. Metric Ton. Product Weight Basis

Data Source: China Customs Administration. Analysis by Steiner Consulting



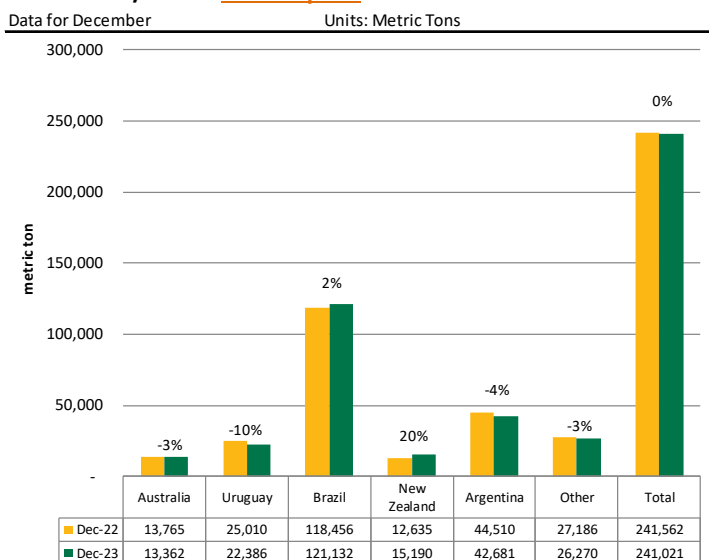
come a primary driver for global beef demand and that is expected to continue in 2023.

Japan: Total cattle slaughter in November was estimated at 109,323 head, down 2% from the previous year. Domestic slaughter has been consistently higher this year, with November being the first month of y/y declines. Heavy slaughter combined with higher imports earlier in the year has resulted in a backlog of product. Through November, total cattle slaughter in Japan was 1,006,703 head, 1.8% higher than a year ago. The trend in beef imports has been mixed but trending lower. November beef imports were down for the sixth straight month declining by 4% y/y. YTD imports ended the year down 10% y/y. Declines were broad based, and likely reflected the build up in inventory during late 2022 and first four months of 2023. By the end of April, inventory of imported

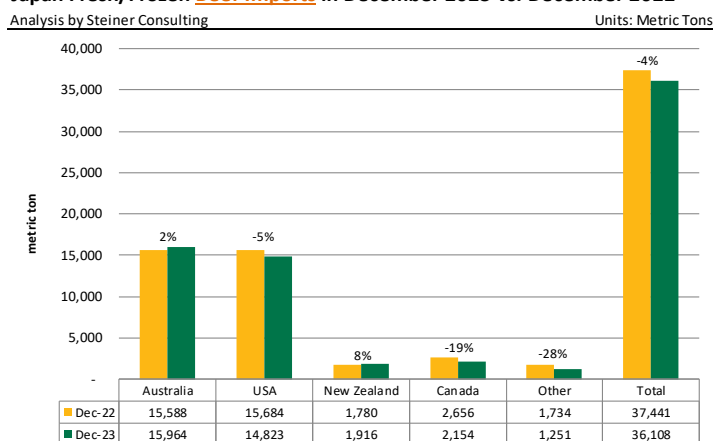
Asia / EU Trade Statistics

beef was up 30% y/y. While the slowdown in imports has helped keep inventories in check, we have yet to see a significant drawdown. At the end of July beef inventory was estimated 5.6% above last year's levels. However, this inventory is still just slightly under April/May levels and far higher than normal. With lower exports again in November we think inventories have seen further declines, which should help beef imports to normalize following double digit declines recently. Getting imports to start increasing is a different matter, however, as markets remain well supplied. We have adjusted our import forecasts lower to reflect the current supply situation in Japan.

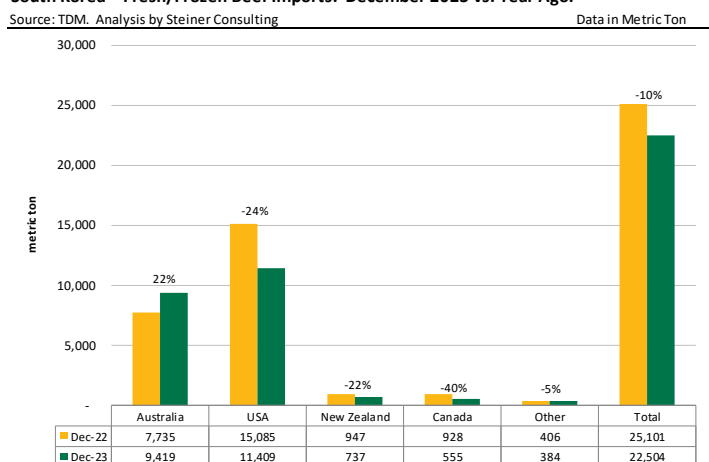
China Fresh/Frozen Beef Imports



Japan Fresh/Frozen Beef Imports in December 2023 vs. December 2022



South Korea - Fresh/Frozen Beef Imports. December 2023 vs. Year Ago.



Oceania Update

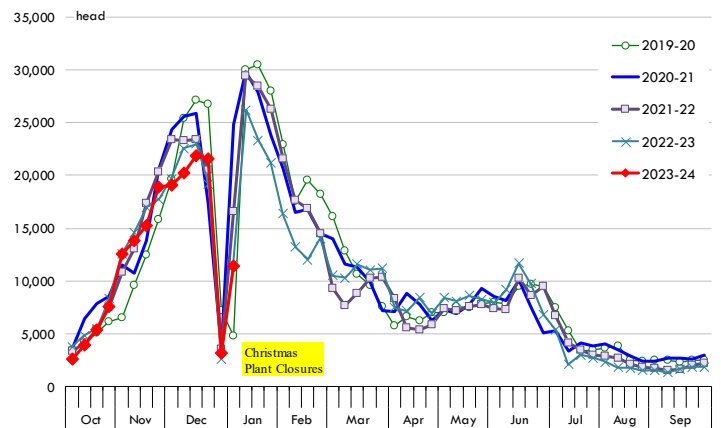
New Zealand: New Zealand slaughter is off to a slow start and that has been reflected in the volume shipped in January and what's entering the US market currently. Total cattle slaughter in the four weeks ending January 27 was 194,642 head, 17,626 head (-8%) lower than a year ago. Seasonally slaughter drifts lower in February and then moves higher in March, April and May, largely due to more cows coming to market. Bull slaughter is now off its peak and the numbers that have come to market have been well below year ago levels. In the last four weeks slaughter was a total of 77,506 head, 6% under last year. Since the start of the marketing year slaughter has declined by more than 10k head from the year before (-4%). Lower slaughter numbers have resulted in lower exports, down 7% y/y. Exports to the US were about unchanged y/y while exports to China were down 11% and exports to S. Korea were down 60%.

Australia: Australian cattle slaughter continues to trend higher. After a few holiday shortened weeks, slaughter in February is approaching the levels achieved last fall and expectations are for slaughter to be higher still in March and early April. Australia day caused slaughter in the four Eastern States to drop under 100k head (week of 1/26) but supplies have surged higher since then. For the week ending February 16 slaughter in the Eastern States was near 122k head and then the following week it was near 125k head, 13.5% higher than the previous year. Cattle prices have eased a bit since mid January, with the EYCI last quoted at 629 AUD per 100 kg, down 7% from the previous month. Cattle prices have found a more sustainable level following the panic, drought induced panic last spring. Weather conditions remain key and it will be interesting to view the updates that MLA will make to its cattle projections. The webinar covering this will be presented Tuesday, March 12.

The increase in supply has bolstered the availability of beef for export. While Asian markets remain key, Australia is relying on the US to absorb a larger share of the increase in supply. In January total Australian beef exports were 75,585 MT, up a little over 24k MT from the previous year. Higher exports to the US accounted for almost half of the overall increase in exports. Shipments to the US were 20,308 MT, 127% higher than the year before. Our current projection is for February shipments to be 21,300 MT, 9,600 MT (+82%) higher than a year ago. Total Australian shipments in February are projected to be 93,800 MT, 23k MT (+33%) higher than a year ago. Exports to Japan were limited in 2023 but 2024 has started on a much better note. Exports to Japan in January were 16,331 MT, 37% higher than a year ago. Current projection is for exports in February to be 23,800 MT, surpassing exports to the US and 43% higher than last year. Exports

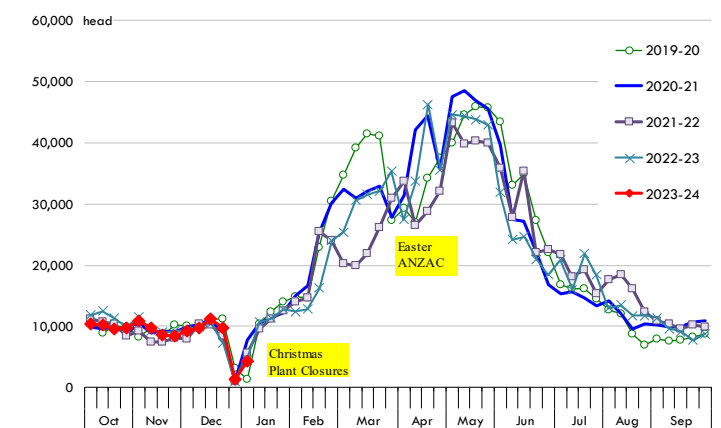
New Zealand Weekly Bull Slaughter

Based on Oct - Sep Marketing Year. Source: New Zealand Meat Board



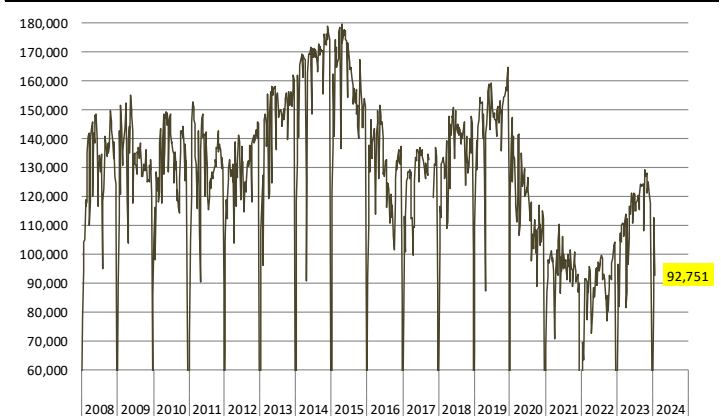
New Zealand Weekly Cow Slaughter

Based on Oct - Sep Marketing Year. Source: New Zealand Meat Board. Analysis by Steiner Consulting



Australia Weekly Eastern State Cattle Slaughter: Source MLA

Data Source: Meat & Livestock Australia. Analysis by Steiner Consulting



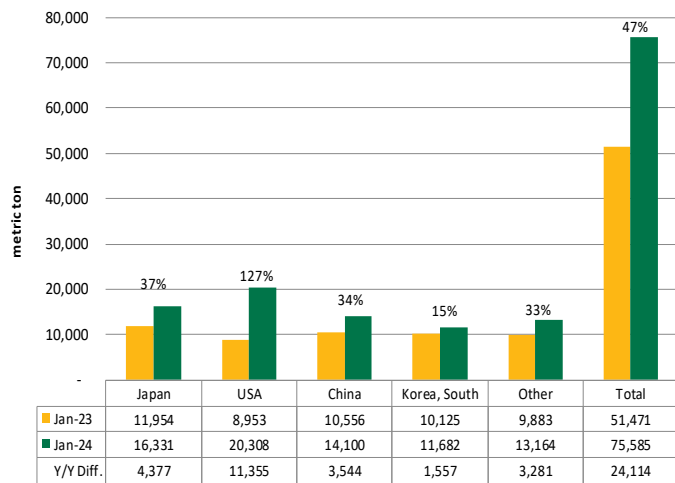
to China have also been strong, up 34% y/y in January and 25% higher in February.

Oceania Statistics

Australia Fresh/Frozen Beef Exports In October 2023 vs. October Year

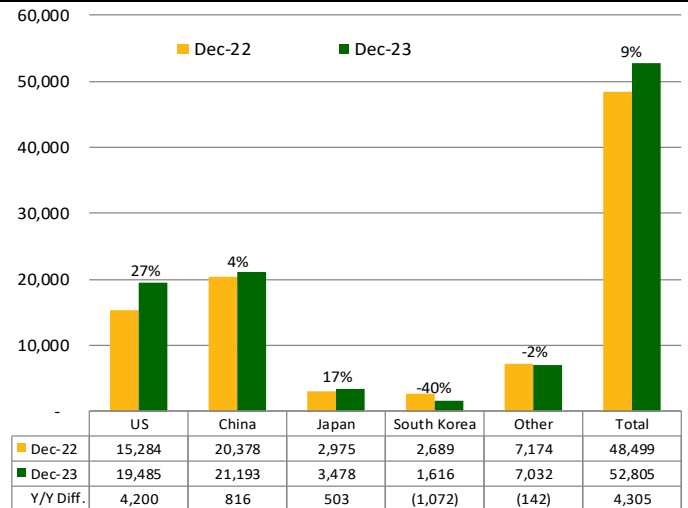
Latest Data for January

Units: Metric Tons



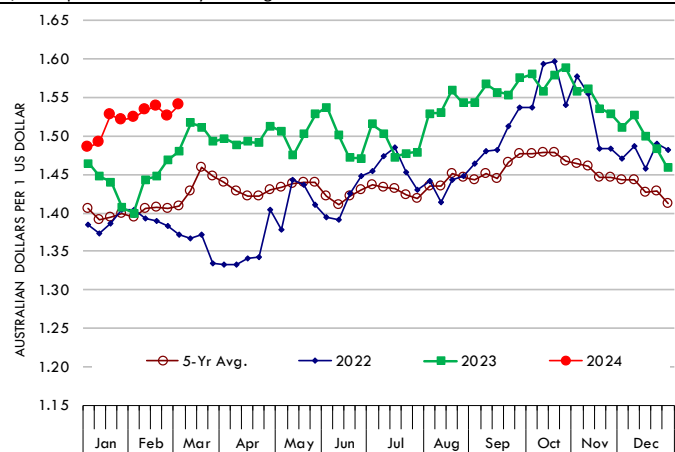
New Zealand Fresh/Frozen Beef Exports in December. MT

Source: Statistics NZ. Analysis by Steiner Consulting



AUSTRALIAN DOLLAR PER 1 US DOLLAR

Y/Y Comparison of Weekly Exchange Rate



NEW ZEALAND DOLLAR PER 1 US DOLLAR

Y/Y Comparison of Weekly Exchange Rate

