



Global Beef Market Monthly Review

May 7, 2024

Volume 6, Issue 4

Prepared by: Steiner Consulting Group, 800-526-4612

Inside this issue:	
Highlights	1
North America	2-4
South America	5-7
Asia / EU	8-9
Oceania	10-11

Highlights

China: Imports were up 15% in March and 22% higher for all of Q1. For all of 2024 imports are expected to be up 3.5%. Last year imports were light in Q1 due to BSE issues in Brazil.

Japan: Japanese beef imports were up 4% in March but still 2% for the year. The weak Yen continues to negatively impact sales to this market, with only Australia expected to see robust export growth there.

S. Korea: Imports in March were up 4%, primarily due to more product coming from Australia. For all of Q1 imports were still down 1%. USA remains top supplier but Australia closing the gap. Forecast for imports still positive but has more downside risk as the economy sputters.

USA: US imports are expected to increase by more than 100k MT in 2024, outpacing expected import growth from the top world beef market, China. Higher imports from Australia and New Zealand are expected to account for the bulk of the increase.

Brazil: Exports in the first quarter of 2024 were up 116k MT, far outpacing any other exporting country. Higher exports to China accounted for about 40% of the growth but there has been robust demand in several smaller markets, especially in the Middle East.

Argentina: Slaughter in March was down almost 20% and yet exports were up 20%, with China accounting for the bulk of the increase. The collapse of the Peso continues to eat away at the ability of Argentinean consumers to maintain their standard of living.

Australia: Current forecast is for Australian beef exports to increase 10.5% y/y in calendar 2024. This is above the 9% forecast from USDA and reflects better demand in key markets,

New Zealand: Cow slaughter is currently running below last year's levels. New Zealand exports were lower in March and likely to be lower in April as well. Share of exports to the US highest since 2015.

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	5,476,372	248,661	4.8%	
Australia	11%	Mar 2024	106,573	7,595	8%	1,082,405	1,196,058	113,653	10.5%
Argentina	6%	Mar 2024	64,460	10,697	20%	683,397	703,899	20,502	3.0%
New Zealand	6%	Mar 2024	45,690	-2,938	-6%	497,609	521,887	24,278	4.9%
Brazil	20%	Mar 2024	166,327	41,892	34%	1,996,585	2,146,812	150,227	7.5%
USA	14%	Mar 2024	81,354	-10,128	-11%	967,714	907,716	-59,998	-6.2%
IMPORTS					5,005,310	5,214,118	208,808	4.2%	
USA	15%	Mar 2024	110,701	14,215	15%	1,194,175	1,295,680	101,505	8.5%
China	30%	Mar 2024	243,117	32,123	15%	2,736,186	2,831,992	95,806	3.5%
Hong Kong	4%	Mar 2024	10,120	3,376	50%	96,565	98,980	2,414	2.5%
Japan	8%	Mar 2024	38,368	1,572	4%	503,964	507,488	3,524	0.7%
S. Korea	6%	Mar 2024	39,487	1,481	4%	474,419	479,977	5,558	1.2%

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

North America Market Update

United States: The US cattle herd is the smallest it has been on decades and combined with herd rebuilding activity it was expected to result in a significant supply shortfall in 2024 and 2025. In the near term, however, beef production has been running above last year's levels. Fed cattle slaughter in the last four weeks has been a little over 1.93 million head, 1.1% higher than a year ago. Fed cattle weights for the week ending April 20 (most current data) were 892 pounds, 3.3% higher than a year ago. In the last four weeks, fed beef production has been around 60 million pounds (+4.5%) higher than a year ago. During this period, beef imports have been running higher than a year ago, mostly due to more imports from Australia while exports have declined by double digits implying that per capita beef availability during this period has been far higher than +5% vs. last year. The choice beef cut-out has been drifting lower in recent 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 foodservice beef prices are limiting sales.

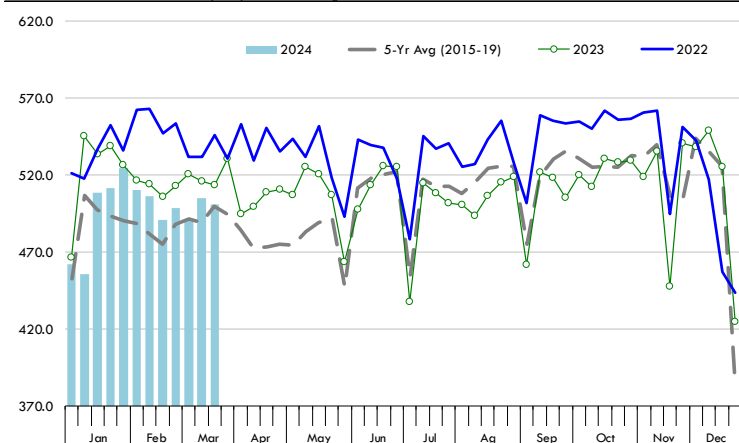
Fed beef supplies are expected to remain at or above year ago levels for all of Q2. The supply of cattle on feed is currently almost 2% higher than a year ago. But more importantly, the supply of cattle that have been on feed for more than 120 days is currently up by more than 10%. Faced with an ever shrinking supply of feeder cattle, feedlots have opted to keep cattle on feed for longer, adding pounds. Lower feed costs have made this possible. The result, however, has been a smaller than expected shortfall in supply, something that is likely to continue through the summer. As feedlot placements decline (they were down 12% in March), this will slowly reduce availability.

Non fed beef production in the US remains under year ago levels but it has increased substantially compared to late March. Cow/bull slaughter for the week ending April 20 was estimated at 125k head, down 12% from a year ago but the highest weekly slaughter since the last week of February. Also important to note is that cow carcass weights are running almost 4% 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.

Mexico: Mexican beef production in March was estimated at 178,064 MT, 1.8% higher than a year ago. For all of Q1 production was up 1.9%, in line with expectations. Production in key states has been robust, with Durango (+1.7%), Veracruz (+2.7%) and Jalisco (+1.6%). As USDA noted in a recent report, feed prices in Mexico are still high but have started to stabilize, which should be supportive for the Mexican beef industry. There was some concern that Mexico would impose a ban on US GMO corn but the government has walked some

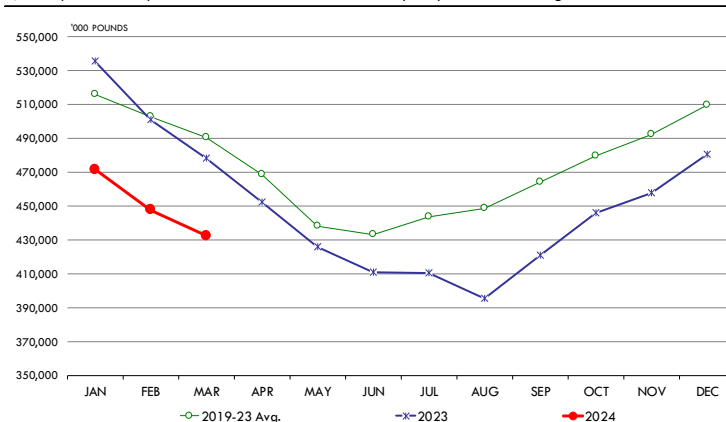
Weekly US Beef Production. Million Pounds. Carcass Wt. Basis

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



of this back, with the ban affecting only white corn imports from the US, product that goes into human consumption. There has been no disruption to exports of yellow corn for livestock feed, indeed imports have increased. Weather, however, remains a significant concern for Mexican producers, with extreme drought conditions reported both in the North and South. Reports from the country continue to indicate that water supply for cattle is adequate, with drought more of a concern for grain farmers.

Mexican beef exports to the US have been trending lower in the last two years. The strong Peso has been a factor but also robust demand in the domestic market as well as higher exports to other markets. Year to date US imports of Mexican beef are down 21% vs. a year ago. Last year imports from Mexico declined 10% from 2022 levels.

Canada: Cow slaughter in Canada may not be down as much as in the US on a y/y basis, but overall supply is still notably lower than at the start of the year. All indications are that slaughter is likely to track under year ago levels as producers

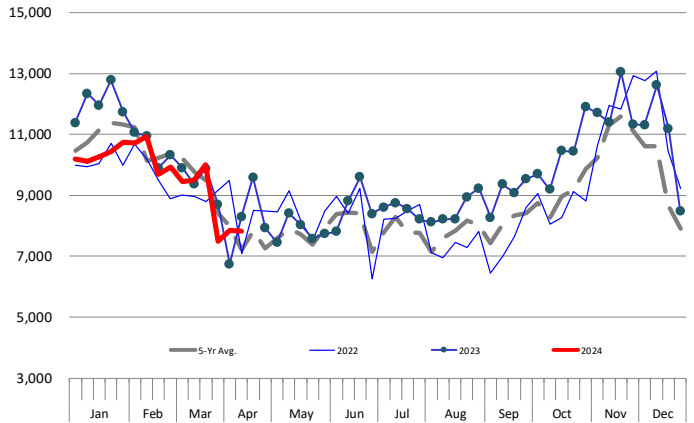
North America (continued)

minimize the culling rate. The steady decline in the beef cow herd all but assures that slaughter this year will be lower than a year ago. In the four weeks ending April 13 total cow slaughter in Canada was 33,128 head, down 1.5% from a year ago and in line with the five year average. However, in the last two weeks slaughter has been around 7,800 head, down from over 10,000 head/week in January. Fed cattle slaughter during this period was 194,279 head, down 2.1% from a year ago.

The supply of cattle on feed in Western feedlots as of April 1 was estimated at 1.032 million head, 2% lower than a year ago. Placements in March were down 4% from a year ago while marketings declined 5%. Different from the US, the Canadian feedlot survey provides a breakdown of placements by sex (in part because they are surveying a much smaller number of feedlots). In March, heifer placements were 44,146 head, down 10% from a year ago while steer placements at 102,679 head were down 1%.

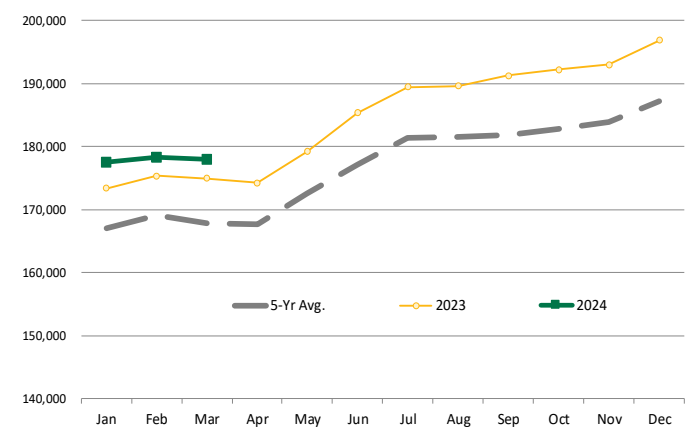
Shortfall in cow slaughter but, more importantly, higher prices in the US have resulted in a notable increase in imports from Australia and New Zealand (see chart).

Canada Weekly Cow Slaughter, head

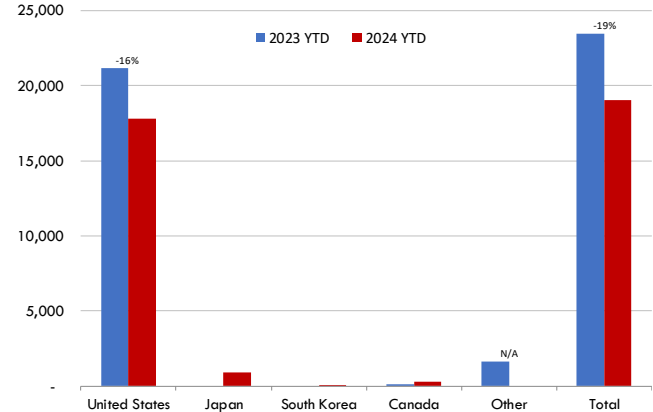


Mexico Beef Production

Source: SAGARPA



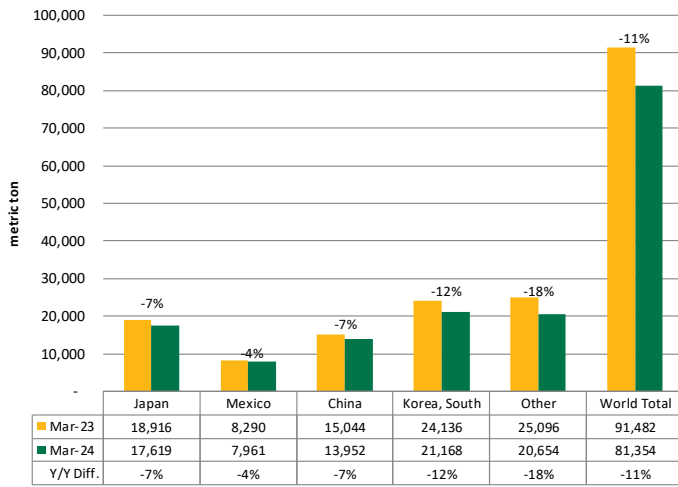
Mexican Fresh, Chilled & Frozen Beef Exports
Year-to-Date, 2024 vs 2023



North America Trade Statistics

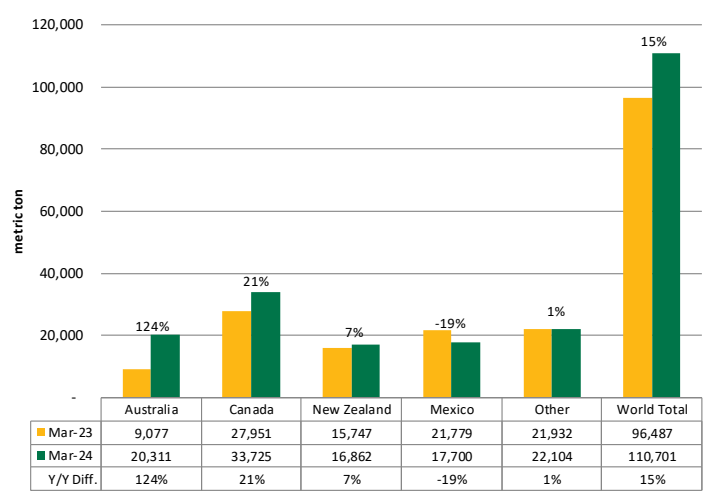
USA Fresh/Frozen Beef Exports

Latest Data for March Units: Metric Tons



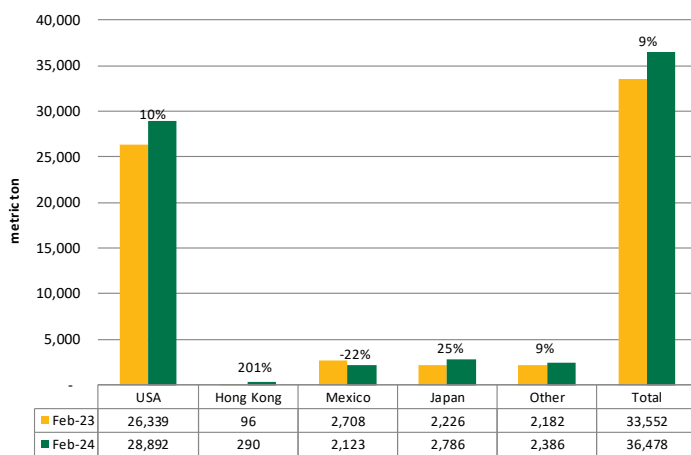
USA Fresh/Frozen Beef Imports

Latest Data for March Units: Metric Tons



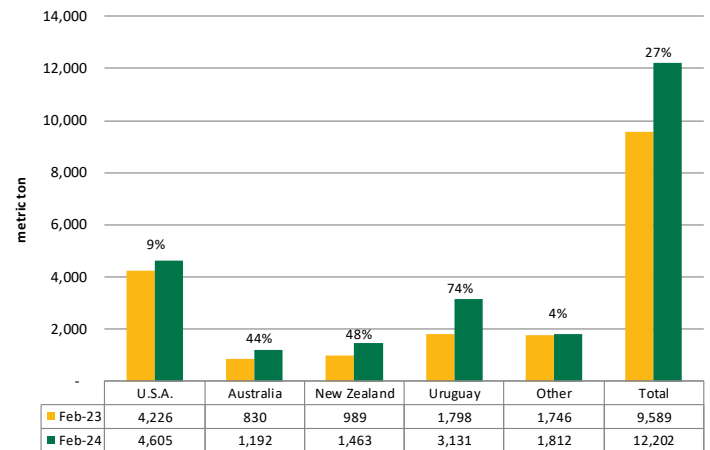
Canada Fresh/Frozen Beef Exports

Latest Data for February Units: Metric Tons



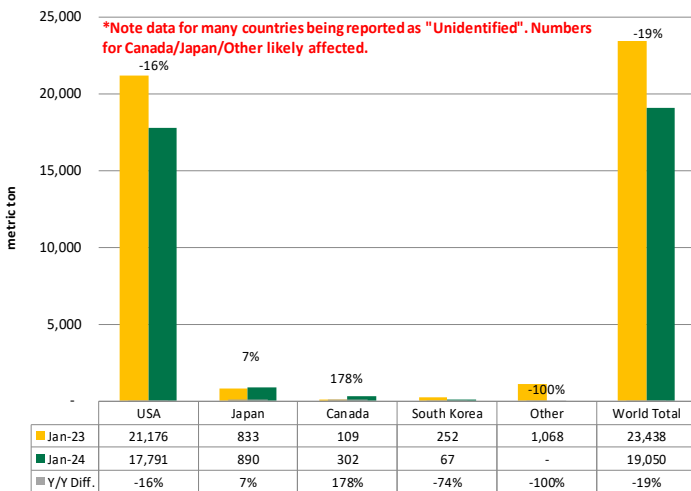
Canada Fresh/Frozen Beef Imports

Latest Data for February Units: Metric Tons



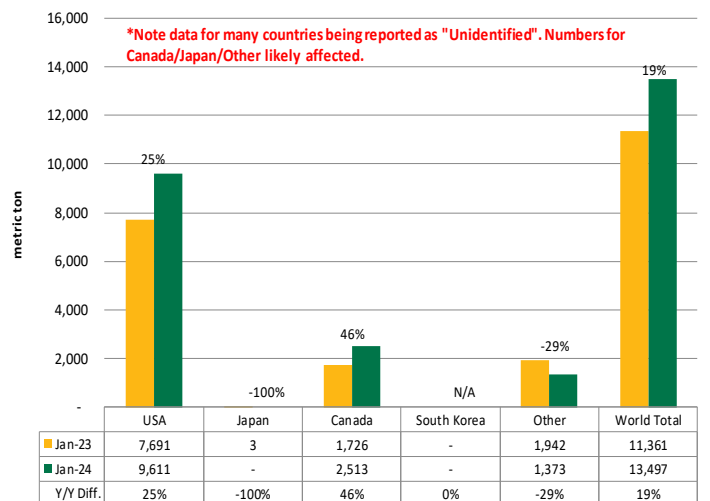
Mexico Fresh/Frozen Beef Exports

Latest Data for January Units: Metric Tons



Mexico Fresh/Frozen Beef Imports

Latest Data for January Units: Metric Tons



South America Market Update

Brazil: The pace of cattle slaughter slowed down a bit in March but it was still up by double digits vs. a year ago. Initial estimates put March slaughter up 28% from a year ago and overall Q1 slaughter up 30.7% vs. last year. USDA post reports recently revised up estimates for Brazilian cattle slaughter in 2024. The new estimate pegs total slaughter for 2024 at 46.150 million head, up 1.74 million (+3.9%) vs. a year ago. This doubles the estimated increase in slaughter for this year and, if current trends continue, it will likely be revised up again later in the year. Cattle prices in Brazil have stabilized but at levels well below last year or 2022. The more current quotes peg the price of finished cattle 14.4% below year ago levels. Robust prices for lean grinding beef in the US and lower cattle prices in Brazil should result in more shipments to the US market, even with no quota left for this year.

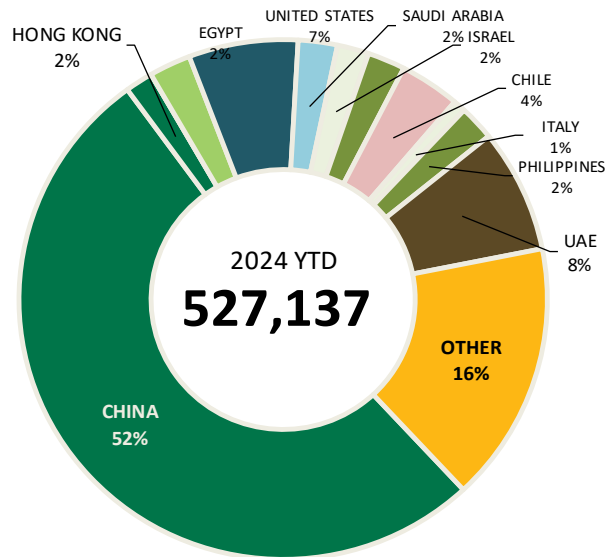
March exports of fresh/frozen beef were estimated at 166,327 MT, almost 42k MT (+34%) higher than a year ago. Exports to China in March were 81,207 MT, 48% lower than the stunted exports a year ago due to BSE. Exports to smaller other markets were also robust. UAE has suddenly emerged as a major export market. In Q1, exports to UAE increased by almost 30k MT vs. a year ago, accounting for almost a third of the overall increase in Brazilian exports. The only country that had a bigger increase in exports for the quarter was China, with shipments to that market up 48k MT y/y. Brazil has also started to ship product to Mexico, with total Q1 volume near 7k MT vs. zero a year ago.

Argentina: The normal improvement in slaughter that we see in March did not materialize this year. Instead slaughter was very close to February levels at 1.054 million head, 18.9% lower than last year and 7.7% lower than the five year average. Q1 slaughter at 3.267 million head was 278k head (-8%) lower than a year ago. Following the drought induced liquidation of the past two years, it appears producers are poised to limit slaughter, particularly female cattle slaughter. Cow slaughter in March was down 25.2% vs. a year ago and heifer slaughter was down 12%.

The double digit decline in slaughter did little to impact the flow of beef to export markets. The collapse in the value of the Peso and low purchasing power means world buyers (i.e. China) can continue to outbid Argentine consumers for beef. Exports of fresh/frozen beef in March were 64,460 MT, 20% higher than a year ago. China accounted for 79% of all Argentine beef exports, with shipments in March up 17% y/y. In the first three months of the year, Argentine beef exports to China were 151,611 MT, up near 31k MT (+25%) higher than last year. Total exports were up near 35k MT. Exports to the US market have been robust although quota continues to limit overall volumes. Shipments to the US in

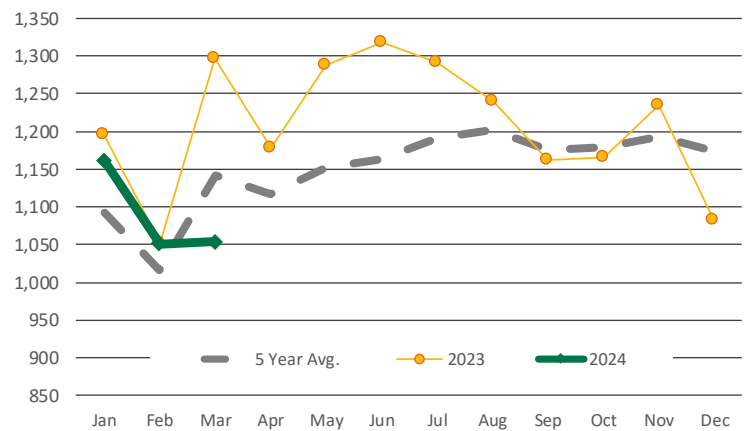
YTD Brazil Beef Fr/Frz Beef Exports. Metric Ton

Source: COMEX. Jan - Mar



Monthly Argentina Cattle Slaughter, Total Slaughter. '000 Head

Source: MAGYP. Analysis by Steiner Consulting



March were 2,311 MT, up 68% vs. last year. In the first three months shipments were 5,257 MT, up 11% y/y.

Uruguay: Slaughter has rebounded in recent weeks, which should be reflected in more robust exports for April. In the four weeks ending April 20 total slaughter averaged 41,070 head/week, 15.7% higher than a year ago and 2% above the five year average. Steer slaughter during this period averaged 19,359 head/week, 19.4% above last year while cow slaughter at 16,246 head/week was 20% above the same period last year. Seasonally slaughter is higher in late April and May and we expect the same trend this year. Through the end of April, cattle slaughter in Uruguay has been around 41k head (+6.2%)

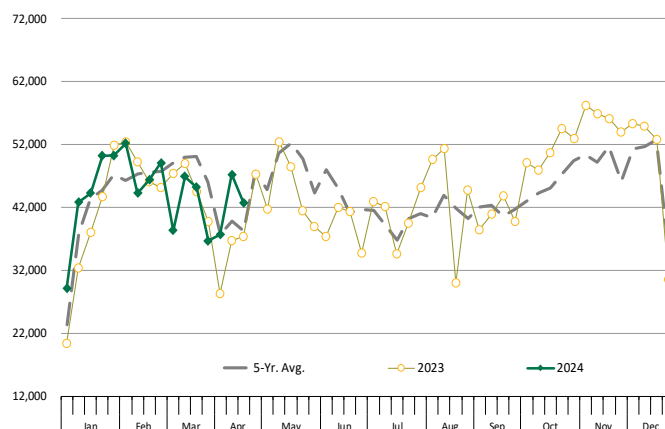
South America (continued)

higher than a year ago. USDA last fall forecasted Uruguayan slaughter in 2024 to be down 3.7% from 2023 levels. We expect that forecast will be revised higher considering the trend so far.

March exports reflect the slowdown in slaughter in late February and March. Total shipments of fresh/frozen beef were 28,278 MT, 7,019 MT (-20%) lower than a year ago. Exports to China declined by more than 10k MT (-45%) as Chinese buyers focused on cheaper offerings from Argentina and Brazil. In the first three months of the year exports to China were 43,873 MT, 12k MT (-22%) lower than a year ago. Exports to the US in Q1 were 20,862 MT, up 10k MT (+93%) compared to last year's levels.

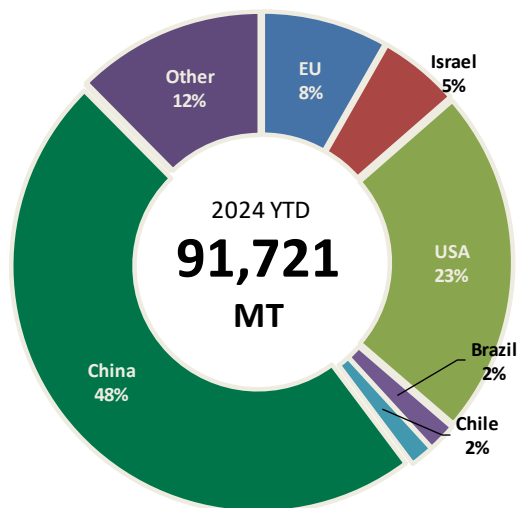
Uruguay Cattle Slaughter, Total

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

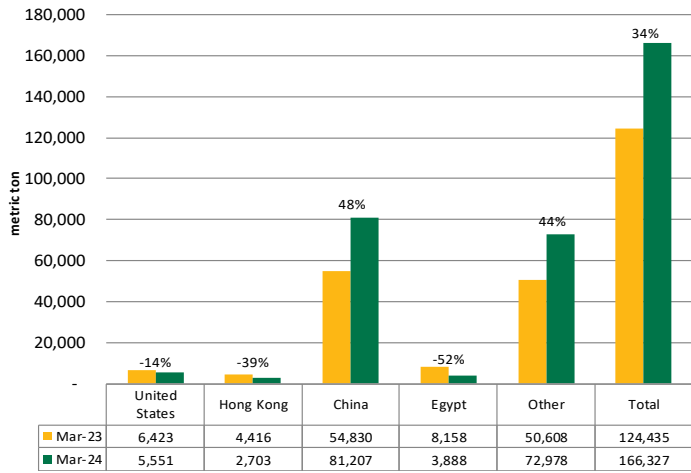


South America Trade Statistics

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

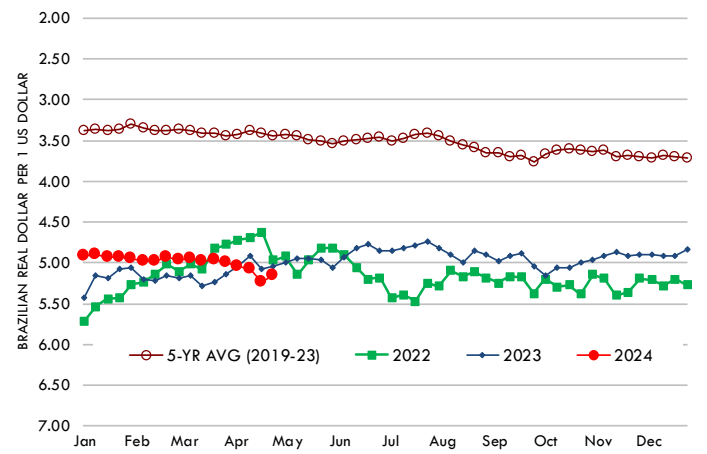
Analysis by Steiner Consulting

Units: Metric Tons



Brazilian Real Per 1 US Dollar

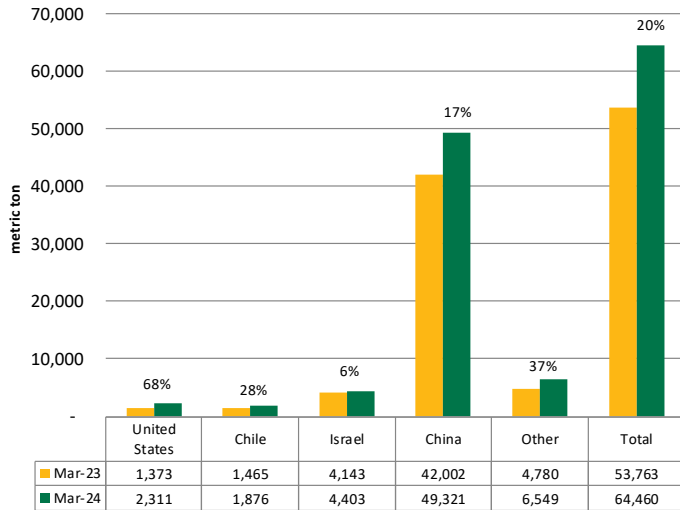
Y/Y Comparison of Weekly Exchange Rate



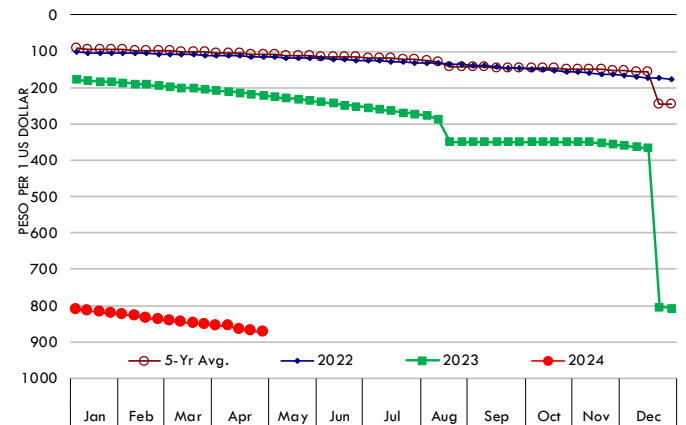
Argentina Fresh/Frozen Beef Exports

Latest Data for March

Units: Metric Tons



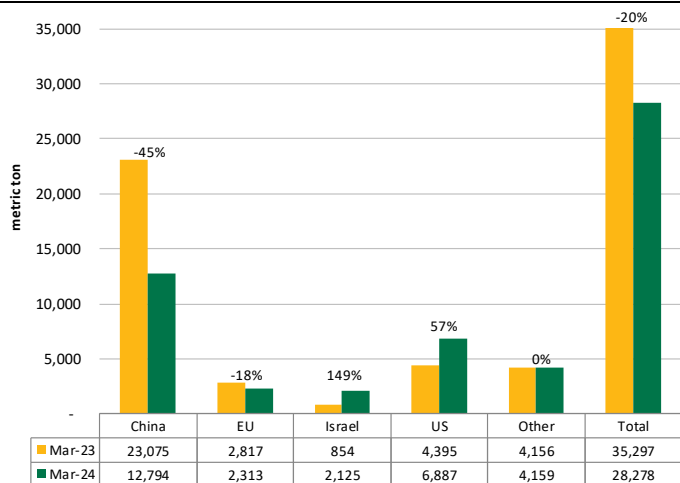
Argentine Peso Per 1 US Dollar



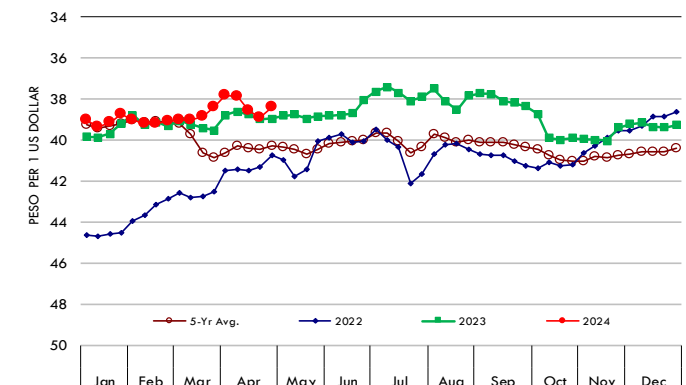
Uruguayan Fresh/Frozen Beef Exports

Latest Data is for March 2024

Units: Metric Tons



Uruguay Peso Per 1 US Dollar



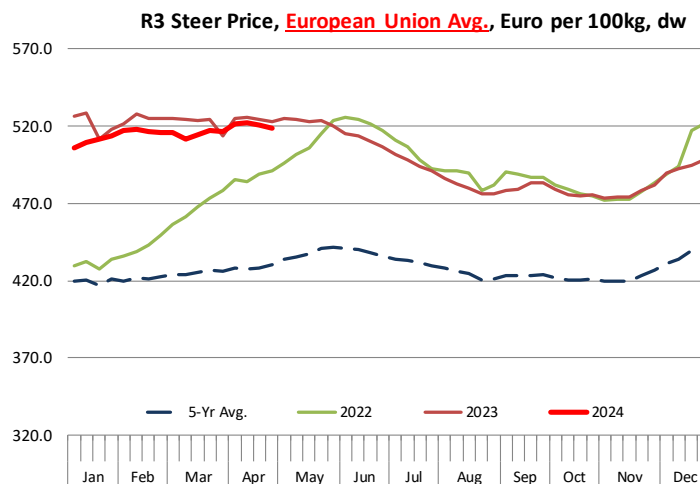
Asia / EU Market Update

European Union: Slaughter remains above year ago levels, mostly due to more cows and heifers coming to market. The large percentage of female cattle going to slaughter suggests future declines in the herd are likely. In the four weeks ending April 28, total cattle slaughter in Ireland was a total of 133,755 head, up 6,299 head (+4.9%) from a year ago. Cow slaughter during this period was a total of 31,416 head, up 3,812 head (+13.8%) compared to a year ago. The increase in cow slaughter accounted for over 60% of the overall increase. Heifer slaughter during this period was 39,063 head, up 2,525 head (+6.9%) vs. last year. So the total increase in slaughter was due to more female cattle going to market. The ratio of female cattle slaughter to total slaughter was 53% and it has been over 50% since last October. Steer slaughter during the reference period was 49,057 head, down 1.1%.

The increase in supply and a softer demand environment continues to pressure beef prices lower, particularly cow meat. The reference price for O3 cows in Ireland was last quoted at 422 euro per 100kg, 7% lower than a year ago. The EU average was 413 euro, down 4% y/y. The average price of Irish R3 steers was last quoted at 521 euro per 100 kg, 1.1% lower than last year. The average EU prices was near that level as well, slightly lower than a year ago.

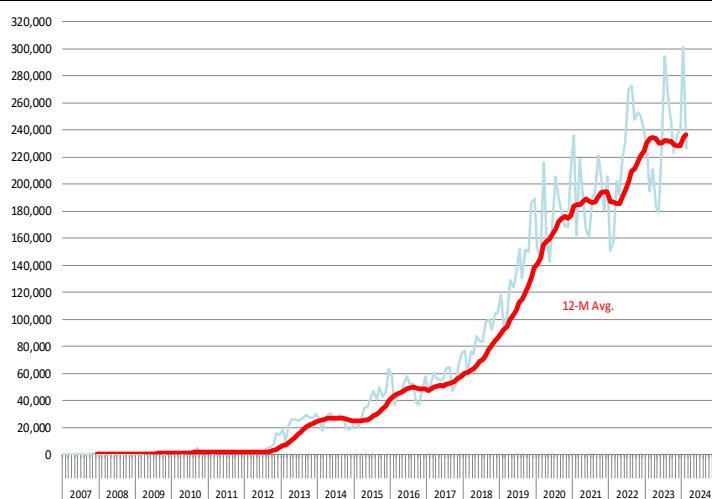
China: Chinese beef imports for March were up 15% y/y. Imports from Australia saw major y/y growth up 62% in the month. South America also saw substantial growth, Brazil imports up 16% y/y, Argentina 16%, and Uruguay 9%. Brazil remains the top exporter to China making up 40% of all imports. The Chinese 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 become a primary driver for global beef demand and that is expected to continue into early 2024.

Japan: Total cattle slaughter in February was estimated at 84,311 head, up 1.2% from the previous year. Slaughter continues to trend higher into early 2024. Heavy slaughter combined with higher imports earlier in the year has resulted in a backlog of product. YTD slaughter in Japan is currently 169,833 head, 1.3% higher than a year ago. The trend in beef imports has been mixed but drifting lower. March beef imports were up 4% y/y. Despite the increase YTD imports are still down 2% in 2024. March growth mainly came from increased shipments



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

Data Source: China Customs Administration. Analysis by Steiner Consulting



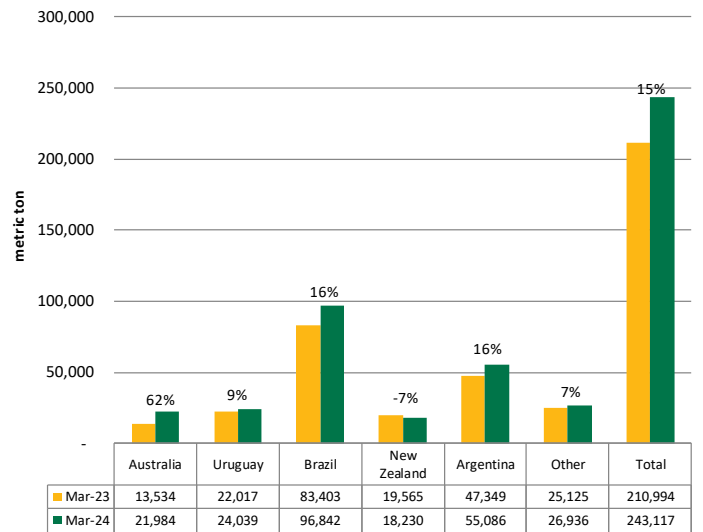
from Oceania with New Zealand seeing a 89% y/y increase while imports from Australia were up 40%. At the end of July beef inventory was estimated 5.6% above last year's levels. Japanese market still remains well supplied and getting sustainable growth in imports is a different matter.

Asia / EU Trade Statistics

China Fresh/Frozen Beef Imports

Data for March

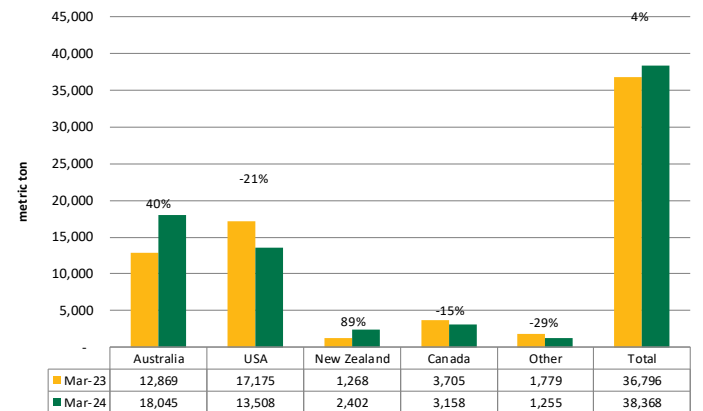
Units: Metric Tons



Japan Fresh/Frozen Beef Imports in February 2024 vs. February 2023

Analysis by Steiner Consulting

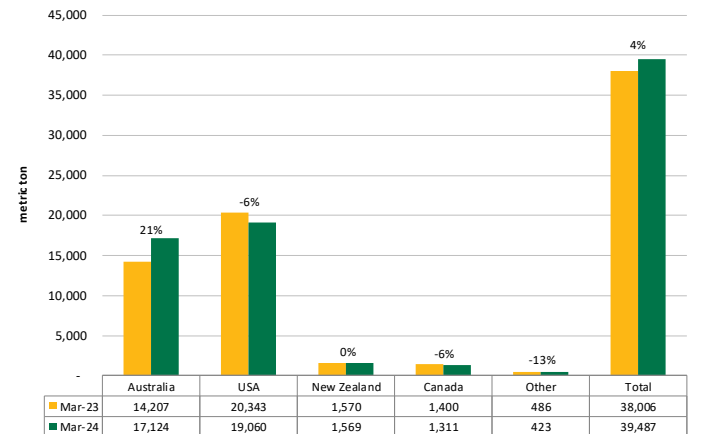
Units: Metric Tons



South Korea - Fresh/Frozen Beef Imports. March 2024 vs. Year Ago.

Source: TDM. Analysis by Steiner Consulting

Data in Metric Ton



Oceania Update

New Zealand: New Zealand cow slaughter has been lower than expected and this is impacting both supply availability and prices offered in the world market. April slaughter has likely been limited by holidays, although we have yet to get data to support this. However, weekly slaughter during the four March weeks was 24k head (-8%) lower than a year ago. Half of the reduction in slaughter was due to lower cow slaughter.

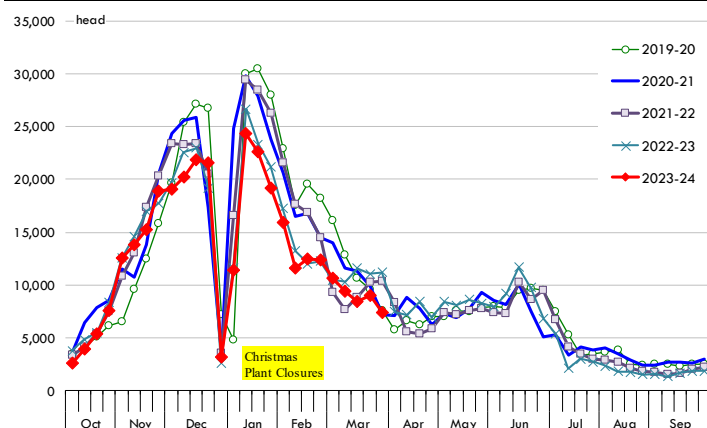
The reduction in slaughter impacted exports to most markets. Total shipments of fresh/frozen beef were 42,376 MT, down 3,512 MT (-8%) from a year ago. China remains the top market for New Zealand beef but US is closing the gap. Shipments to China were 16,544 MT, 18% lower than a year ago while shipments to the US at 15,106 MT were down 11%. The only market registering an increase was Japan, with March shipments at 3,281 MT, double last year's levels.

Australia: Cattle slaughter for the week ending April 26 was limited due to ANZAC Day celebrations. However, at near 107k head, slaughter was 11% higher than the previous year. During the four April weeks, slaughter averaged 23% above year ago levels. Easter and ANZAC Day reduced slaughter in two of the last four weeks, something that was also reflected in the export shipment figures (preliminary) for April. Moisture conditions have improved and the short slaughter weeks had little impact on cattle prices, with the EYCI index trading sideways and holding around \$600 AUD per 100kg. This level is similar to what was paid at this time last year but far better than the \$350 market last October and November. Recent reports note that El Nino is no longer a factor and there is a higher likelihood that weather patterns may shift to a La Nina later this year. While each cycle is different, La Nina usually brings more moisture to Australia. While Australian cattle slaughter is expected to increase y/y due to improving labor situation and a more mature herd, the flow of cattle is likely to be more orderly than in 2023.

Total exports in March were 106,574 MT, 8% higher than last year. Robust demand in the US market continues to push more product towards North America. Shipments to the US in March were 26,484 MT, 53% higher than a year ago. We think exports in April were also around those levels despite two short production weeks. If true, this would mean April shipments to the US were double last year's levels. Exports to Japan in March were 21,007 MT, 3% higher than a year ago. April shipments to Japan are expected to range between 20,500 and 21,000. Exports to other Asian markets were lower than a year ago but Australia saw robust demand in smaller markets. Shipments to Indonesia in March were 10,299 MT, 33% higher than a year ago while shipments to the Middle East surpassed

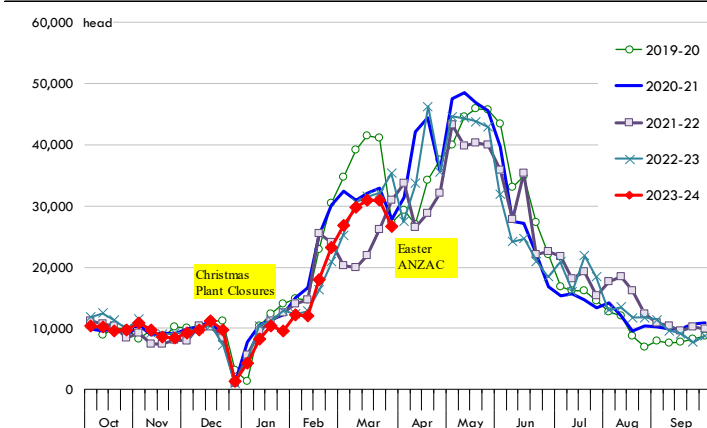
New Zealand Weekly Bull Slaughter

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



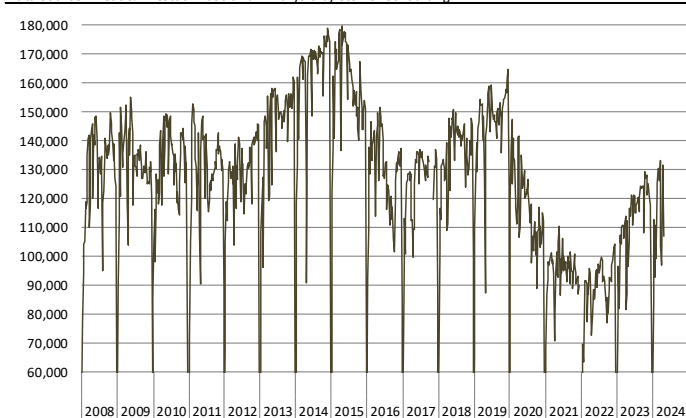
New Zealand Weekly Cow Slaughter

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



Australian Weekly Eastern State Cattle Slaughter: Source MLA

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

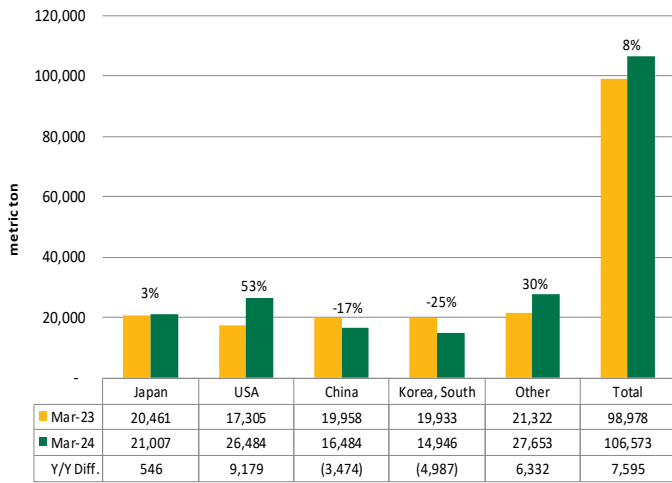


3,000 MT, a 36% increase y/y. Exports to the EU were a little over 1,000 MT, double last year's levels.

Oceania Statistics

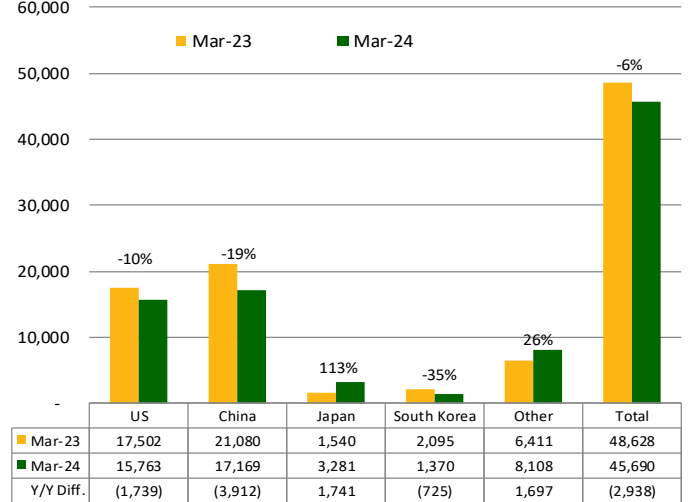
Australia Fresh/Frozen Beef Exports In March 2024 vs. Year Ago

Latest Data for March Units: Metric Tons



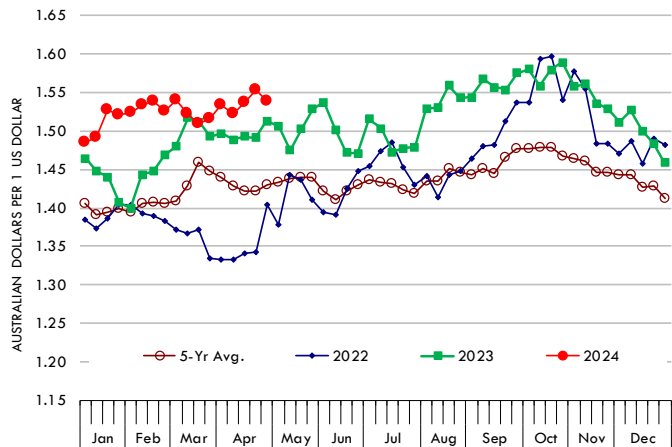
New Zealand Fresh/Frozen Beef Exports in March. MT

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

