



# US Imported Beef Market

A Weekly Update

Prepared Exclusively for [Meat & Livestock Australia - Sydney](#)

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## Market Highlights for the Week:

- Imported beef prices steady to lower last week on very light trading
- Offerings from overseas suppliers were limited last week but US end users also opted to sit on the sidelines rather than participate in what was expected to be a very thin market
- US beef imports through April were 5.4% higher than a year ago, with the entire increase due to higher imports from Canada and Mexico. Imports from New Zealand down about 26% compared to a year ago
- Cow slaughter in Canada running 10% above year ago levels so far this year while US non-fed slaughter was also up about 10% in late March and early April.
- Total supply on feed in +1000 head feedlots on April 1 approached 12 million head, 2% higher than a year ago and the highest on feed supply on record. Front end supplies remain well above year ago and some 1.1 million head larger than in 2017.

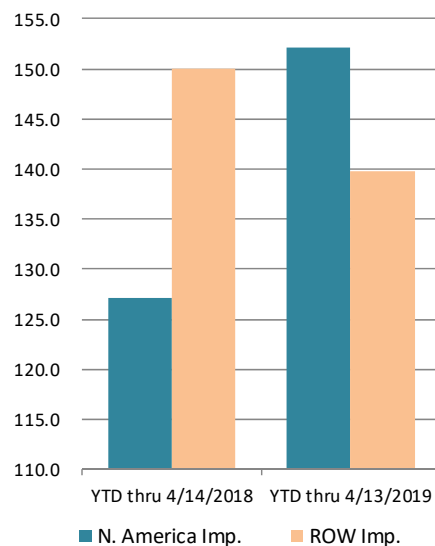
## Imported Market Activity for the Week

It was a fairly quiet week of trading this past week, in part because of a short slaughter week in Australia and New Zealand but also because US buyers opted to do little following the quick runup in prices the previous week. Some of the market participants we spoke with noted there was no follow through to the price gains that were reported the previous week. This could be because Chinese buyers were not as active as previously or

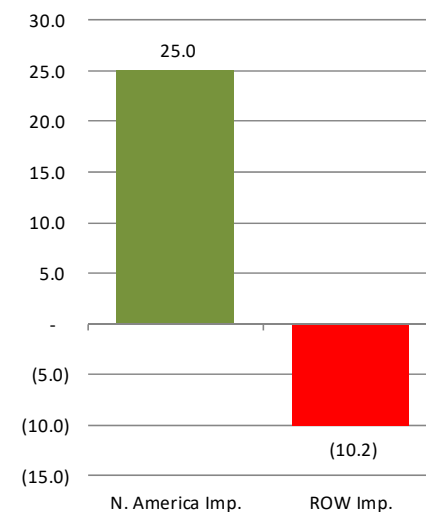
because US users recognize that it is not very productive to try and bid on product during short slaughter weeks. The result was a bit of an easier tone and the prices we were able to collect were modestly lower than the previous week. This does not really make for a downward trend in prices...yet. The big wild card in the market so far has been China and the dramatic increase in shipments from Oceania to that market. As long as Chinese purchases are sustained, then it appears a safe assumption that lean imported grinding beef values

### Beef Imports from N. America & ROW

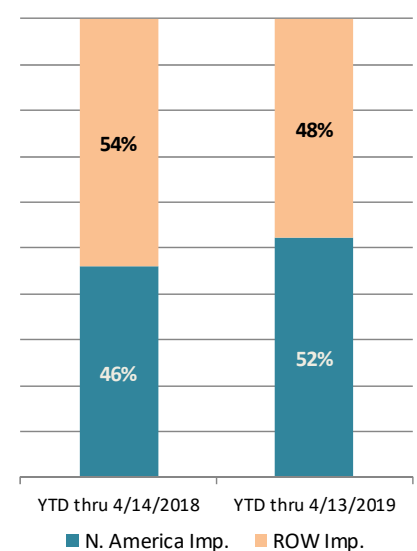
Source: USDA-AMS. '000 Metric Ton.



### Change in Imports: YTD 2019 vs. 2018



### Share of US Imports in 2018 and 2019



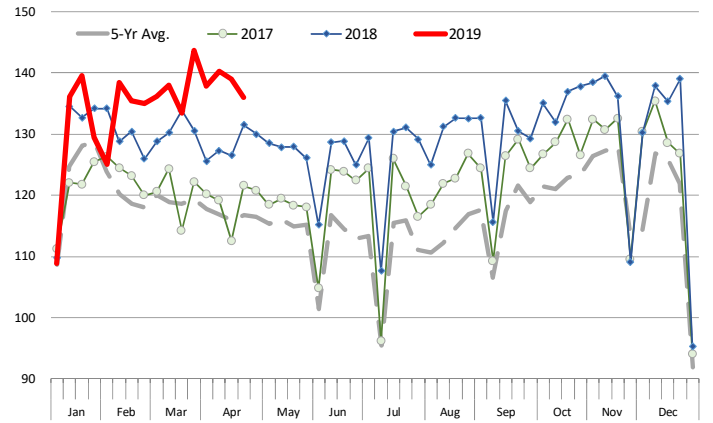
will remain firm and trade at a premium to domestic values.

**China demand rearranges US imported beef market.** The charts on page 1 illustrate the changes that have taken place in the US imported beef market this year. It is important to note that the numbers presented are not final, they are based on preliminary import figures from USDA-AMS and those numbers often differ from the final official figures. Still, the data is consistent with Jan/Feb official statistics and it offers a much more current view of the situation. US beef imports are up about 5.4% compared to a year ago through the first three and a half months of the year. Imports from Canada and Mexico during this period were 152k MT, 25k MT or 20% higher than a year ago. Imports from the rest of the world, mostly from Australia, NZ, Nicaragua and Uruguay were around 140k MT, 10k MT or 7% lower than a year ago. The biggest decline in imports of lean beef has been due to the shortfall in New Zealand supply, down about 17,000 MT or 27% compared to a year ago. At this time both Canada and Mexico are exporting more beef to the US market than Australia or New Zealand. So far this year Canada/Mexico account for over 52% of all imports of fresh/frozen beef in the US market, up from 45.9% a year ago.

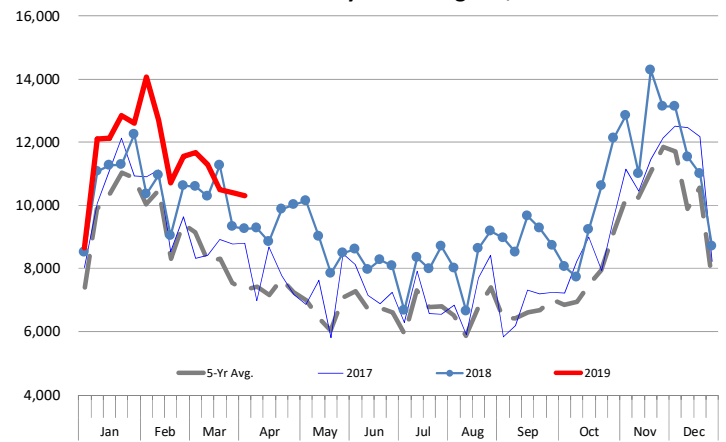
**US cow slaughter update.** Official slaughter statistics are reported with a two week lag. However, by blending the officials statistics with the initial daily slaughter numbers for the last two weeks we can get a fairly good picture of non-fed slaughter and what is driving the supply. The most current official data is for week ending April 6 and it shows total dairy and beef cow slaughter was 129,600 head, 10% higher than the previous year. Bull slaughter for that specific week was 11,200 head, 13% higher than a year ago. Combined cow and bull slaughter (i.e. non fed slaughter) for that specific week was 140,300 head, a bit lower than the 141,000 head USDA estimated in its daily updates. For those not familiar with the process, each day USDA-AMS offers a estimate of cattle slaughter, both fed and non-fed, and then two weeks latest USDA-NASS issues official statistics based on detailed USDA inspector reports. The preliminary USDA-AMS reports for the most two current weeks show non-fed slaughter continues to run well ahead of year ago levels. For the week ending April 20 non fed slaughter was estimated at 136,000 head, down about 4k head from two weeks ago but still about 3.5% higher than a year ago.

**WEEKLY COW & BULL SLAUGHTER. '000 HEAD**

Source: USDA-AMS

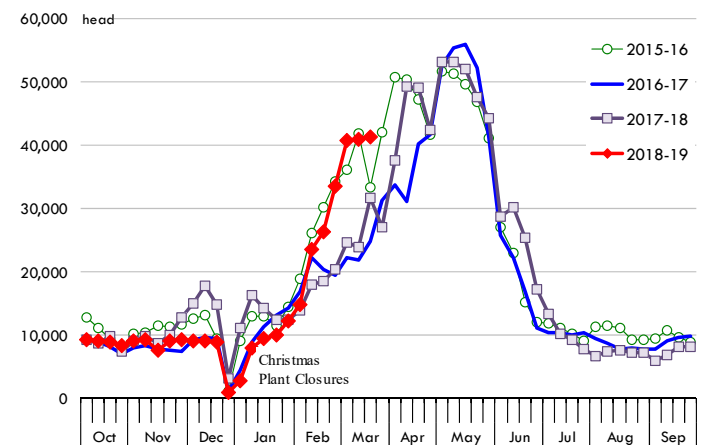


**Canada Weekly Cow Slaughter, head**



**New Zealand Weekly Cow Slaughter**

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



Cow and bull slaughter seasonally decline into the summer and, as we mentioned last week as well, pasture conditions this spring and summer promise to be well above average. The higher slaughter pace in late March and so far in April has bolstered the supply of domestic lean beef and contributed to the widening spread between domestic and imported lean beef. We expect that spread to narrow into May and

early June although, if current import trends persist, we could see imported beef continue to trade at a modest premium to domestic.

**Cattle on feed data shows higher inventory, higher supplies later this spring and into the summer months.** Below are highlights from the latest report:

**Marketings:** According to USDA feedlots marketed 1.777 million head of cattle in March, 3.4% lower than a year ago. Analysts expected marketing to be 3.2% lower than last year. The lower marketing are a result of one less marketing day vs. last year. USDA reports daily fed cattle slaughter numbers and based on that data the average daily fed cattle kill in March was 96,120 head/day, about 1.5% higher than the previous year. March 2018 had one additional Thursday and one less Sunday than March 2019 and that accounted for the y/y decline. With one less marketing day and more cattle on feed the ratio of marketing to the +90day inventory was 27.7% compared to 29.7% a year ago and 35% in 2017. In the last five years the marketing rate in March averaged 30.1%. The marketing rate will improve in April, in part because there will now be one additional marketing day but also because fed slaughter so far this month is running about 1% above year ago.

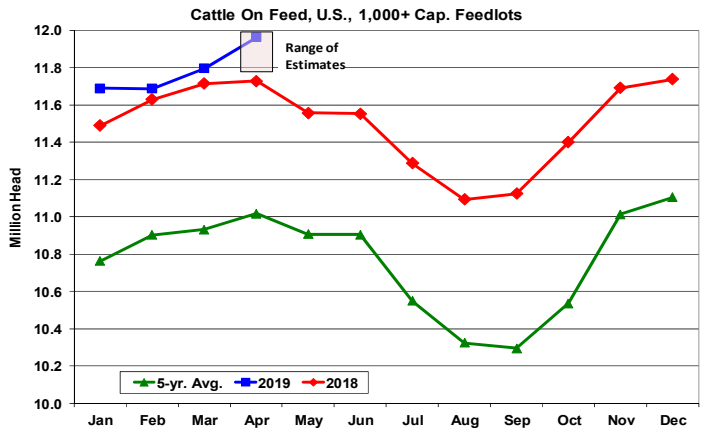
**Placements:** Analysts polled ahead of the report on average expected placements in March to be up 3.8% compared to the previous year. The USDA survey pegged placements for the month at 2.014 million head, 4.8% higher than a year ago and on the higher range of analyst forecasts. March placements are still below the all time record 2.117 million head that feedlots placed in March 2017.

The higher placements, which above the average of estimates, are not a surprise. While some parts of the country were affected by weather in March, for the most part feedlots had the opportunity and incentive to increase their inventories. Feeder cattle sales data told us as much. Feeder cattle sales during March were higher than the previous year. In the four weeks ending March 29 feeder cattle sales were up 10% compared to the same four week period a year ago. Auction sales were up 6% but video and direct sales were up well in the double digits. Sales of feeders over 600 pounds were up 5.3% compared to a year ago.

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

Source: USDA/NASS. Analyst Estimates from Urner Barry

	Number, Thousand Head			Current Year as % of Year Prior		
	2017	2018	2019	Actual	Estimates	Difference
Placed on Feed During Mar	2,117	1,921	2,014	104.8	103.8	1.0
Fed Cattle Marketed in Mar	1,914	1,840	1,777	96.6	96.8	-0.2
On Feed April 1	10,919	11,729	11,964	102.0	101.8	0.2



The supply of long fed cattle remains above year ago levels, which continues to keep fed cattle prices in check in the near term. The inventory of cattle that, as of April 1, had spent 150 days or more on feed was estimated to be 2.712 million head, 14.8% higher than a year ago. The inventory of +120 day cattle was estimated at 4.628 million head, 5.4% higher than a year ago. As a reference, the inventory of +120 day cattle on April 1, 2017 was 3.562 million head. While fed cattle weights are down compared to a year ago and similar to 2017, the inventory of near market ready cattle is much higher than it was that year.

Cattle placements were up 93,000 (+4.8%) than a year ago. Most of the increase in placements resulted from the 700-799 pound category, which was up 65,000 head or 12.3% compared to a year ago. These cattle will likely be available for marketing in late August and September. The placement structure could widen the Jun-Aug and Jun-Oct spread. The main challenge for June remains money flow.

# CME Cattle Feeder Index and US Cattle Markets

## Special Live Animal Reference Price

	Current Week	Prior Week	% CHANGE VS. WK AGO	Last Year	Change from Last Year
	18-Apr-19	11-Apr-19		19-Apr-18	
CME FEEDER CATTLE INDEX	145.01	142.78	1.6%	136.56	6.2%
	19-Apr-19	12-Apr-19		20-Apr-18	
FED STEER (5-MKT AVG)	128.34	125.61	2.2%	120.98	6.1%
CUTTER COW CARCASS, NATIONAL, 90% LEAN, 350-400 LB. (carcass wt.)	85.00	82.50	3.0%	101.50	-16.3%
BONER COW CARCASS, NATIONAL, 85% LEAN, 400-500 LB. (carcass wt.)	89.50	90.50	-1.1%	109.00	-17.9%
BREAKER COW CARCASS, NATIONAL, 75% LEAN, 500+ (carcass wt.)	87.00	81.00	7.4%	106.50	-18.3%
CUTTER COW CARCASS CUTOUT, 5-DAY MA, USDA	169.94	169.17	0.5%	154.79	9.8%

### CME Feeder Cattle Index



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-19	243.0	12-Apr-19	244.0		20-Apr-18		
<b><u>US East Coast Australian/NZ Lean, CIF</u></b>								
<b>95 CL Bull, E. Coast</b>	242.0	243.0	243.0	244.0	-1.0	215.0	217.0	26.0
<b>90 CL Blended Cow</b>	222.0	223.0	223.0	225.0	-2.0	197.0	198.0	25.0
<b>90 CL Shank</b>	217.0	218.0	218.0	221.0	-3.0	202.0	203.0	15.0
<b>85 CL Fores</b>	208.0	209.0	208.0	210.0	-1.0		190.0	19.0
<b>85 CL Chucks</b>		UNQ		UNQ	N/A		UNQ	N/A
<b>95 CL Bull, W. Coast</b>	240.0	242.0	240.0	242.0	0.0	215.0	216.0	26.0
<b>Uruguay CFH 90CL, E. Coast</b>		UNQ		UNQ	N/A		UNQ	N/A
<b><u>US East Coast, Trimmings, CIF</u></b>								
<b>85 CL Trimmings</b>	206.0	207.0	207.0	208.0	-1.0		189.0	18.0
<b>80 CL Trimmings</b>	188.0	189.0		UNQ	N/A		178.0	11.0
<b>75 CL Trimmings</b>		UNQ		UNQ	N/A	170.0	171.0	N/A
<b>65 CL Trimmings</b>		UNQ		UNQ	N/A		UNQ	N/A
<b><u>US East Coast Australian Cuts, CIF</u></b>								
<b>Cap Off Steer Insides</b>	280.0	290.0	280.0	290.0	0.0	285.0	290.0	0.0
<b>Steer Insides 14/18</b>		UNQ		UNQ	N/A		UNQ	N/A
<b>Steer Flats</b>	235.0	240.0	235.0	240.0	0.0		UNQ	N/A
<b>Steer Knuckles</b>	250.0	255.0	250.0	255.0	0.0		245.0	10.0

**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-19	250.0	12-Apr-19	252.0		20-Apr-18		
<b><u>US East Coast Australian/NZ Lean, FOB US Port</u></b>								
<b>95 CL Bull, E. Coast</b>	248.0	250.0	251.0	252.0	-2.0	223.0		27.0
<b>90 CL Blended Cow</b>	229.0	230.0	230.0	231.0	-1.0	205.0	206.0	24.0
<b>90 CL Shank</b>	227.0	228.0	227.0	228.0	0.0	210.0		18.0
<b>85 CL Fores</b>	214.0	215.0	215.0	216.0	-1.0	197.0	198.0	17.0
<b>85 CL Chucks</b>		UNQ		UNQ	N/A		UNQ	N/A
<b>95 CL Bull, W. Coast</b>	247.0	248.0	247.0	248.0	0.0	222.0	223.0	25.0
<b>Uruguay CFH 90CL, E. Coast</b>		UNQ		UNQ	N/A		UNQ	N/A
<b><u>US East Coast, Trimmings, FOB US Port</u></b>								
<b>85 CL Trimmings</b>	213.0	214.0	213.0	214.0	0.0	196.0	197.0	17.0
<b>80 CL Trimmings</b>	197.0	198.0	198.0	200.0	-2.0		185.0	13.0
<b>75 CL Trimmings</b>		UNQ		UNQ	N/A	174.0	175.0	N/A
<b>65 CL Trimmings</b>		UNQ		UNQ	N/A		UNQ	N/A
<b><u>US East Coast Australian Cuts, FOB US Port</u></b>								
<b>Cap Off Steer Insides</b>	285.0	295.0	285.0	295.0	0.0	290.0	295.0	0.0
<b>Steer Insides 14/18</b>		UNQ		UNQ	N/A		UNQ	N/A
<b>Steer Flats</b>	240.0	245.0	240.0	245.0	0.0		UNQ	N/A
<b>Steer Knuckles</b>	255.0	260.0	255.0	260.0	0.0	254.0	255.0	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-19	12-Apr-19		20-Apr-18							
	Low	High	Wt.Avg	Low	High	Wt.Avg		Low	High	Wt.Avg	
<b><u>Domestic Cutouts</u></b>											
Choice Cutout	233.65			228.75			4.9	211.98			21.7
Select Cutout	220.49			221.02			-0.5	200.13			20.4
<b><u>Domestic Lean Grinding Beef</u></b>											
90 CL Boneless	218.0	224.0	219.6	217.0	222.0	218.3	1.3	217.0	222.0	218.2	1.4
85 CL Beef Trimmings	193.0	210.0	197.3	194.0	205.0	196.0	1.3	187.0	204.4	190.6	6.7
50 CL Beef Trim	104.4	104.4	90.0	94.5	94.5	87.9	2.1	109.8	109.8	93.4	-3.4
<b><u>Domestic Pork Trim</u></b>											
42 CL Pork Trim	40.0	70.5	54.0	40.0	68.1	46.2	7.8	34.4	50.3	38.4	15.6
72 CL Pork Trim	84.8	120.8	94.6	79.0	119.1	91.0	3.6	55.0	66.0	59.1	35.5
<b><u>Point of Lean Values</u></b>											
90 CL Domestic	244.0			242.6			1.4	242.4			1.6
50 CL Beef Trimming	180.0			175.8			4.2	186.8			-6.8
42 CL Pork Trim	128.6			110.0			18.6	91.4			37.2
72 CL Pork Trim	131.3			126.4			4.9	82.1			49.3
<b><u>National Direct Fed Steer</u></b> <b><u>(5-day accum. wt. avg. price)</u></b>	128.34			125.61			2.7	120.98			7.4

**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
	<b>19-Apr-19</b>	<b>12-Apr-19</b>			<b>20-Apr-18</b>		
<b><u>Live Cattle Futures</u></b>							
April '19	128.525	126.550	↑	1.98	119.350	↑	9.18
June '19	122.675	121.450	↑	1.22	103.725	↑	18.95
August '19	119.750	118.200	↑	1.55	103.800	↑	15.95
October '19	120.100	119.025	↑	1.07	108.150	↑	11.95
<b><u>Feeder Cattle Futures</u></b>							
May '19	151.525	150.500	↑	1.03	139.325	↑	12.20
August '19	160.675	158.700	↑	1.98	144.500	↑	16.18
September '19	162.075	159.775	↑	2.30	144.500	↑	17.58
October '19	162.400	159.750	↑	2.65	146.200	↑	16.20
<b><u>Corn Futures</u></b>							
May '19	358 1/2	361	↓	-2.50	376 1/2	↓	-18.00
July '19	367 1/4	369 1/2	↓	-2.25	385 1/2	↓	-18.25
September '19	375	377 1/2	↓	-2.50	393	↓	-18.00
December '19	386 1/4	389	↓	-2.75	402 1/2	↓	-16.25
<b><u>Ch Wheat Futures</u></b>							
May '19	444 1/4	464 1/2	↓	-20.25	463 1/4	↓	-19.00
July '19	448 1/4	468 1/2	↓	-20.25	477 1/4	↓	-29.00
September '19	454 3/4	475 1/4	↓	-20.50	495 3/4	↓	-41.00
December '19	471	491 1/2	↓	-20.50	520	↓	-49.00

Slaughter Information	7 Days Ending	7 Days Ending	Change From Last		7 Days Ending	Change From	
			Week	Week		Last Year	Last Year
	<b>20-Apr-19</b>	<b>13-Apr-19</b>			<b>21-Apr-18</b>		
<b><u>Total Cattle Slaughter</u></b>	638,000	638,000	↓	0	627,000	↑	11,000
	<b>6-Apr-19</b>	<b>30-Mar-19</b>			<b>7-Apr-18</b>		
<b><u>Total Cow Slaughter</u></b>	129,061	127,426	↑	1,635	117,317	↑	11,744
<b><u>Dairy Cow Slaughter</u></b>	66,116	66,744	↓	-628	61,021	↑	5,095
<b><u>Beef Cow Slaughter</u></b>	62,945	60,682	↑	2,263	56,296	↑	6,649



# TABLE 7 - US BEEF IMPORTS

(Source: USDA/AMS)

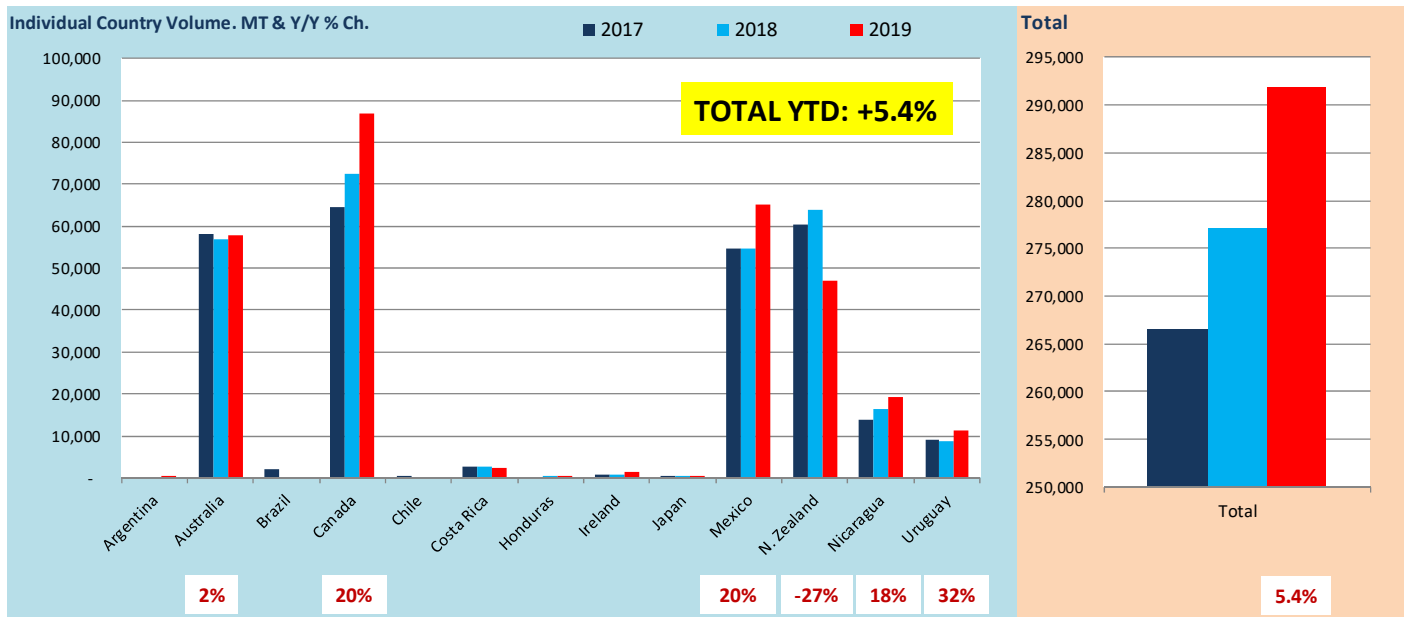
## YTD Imported Fresh/Frz Beef Passed for Entry in the US

week 15	4/14/2018	4/13/2019		
Argentina	-	12		
Australia	56,896	57,932	1,036	1.8%
Brazil	-	-	-	
Canada	72,544	86,868	14,324	19.7%
Chile	-	-	-	
Costa Rica	2,709	2,382	(327)	-12.1%
France	-	-	-	
Honduras	613	497	(116)	-18.9%
Ireland	758	1,318	560	73.9%
Japan	209	214	5	2.4%
Mexico	54,526	65,224	10,698	19.6%
Netherlands	-	-	-	
New Zealand	63,878	46,849	(17,029)	-26.7%
Nicaragua	16,255	19,183	2,928	18.0%
Spain	-	-	-	
Uruguay	8,617	11,383	2,766	32.1%
<b>Total</b>	<b>277,005</b>	<b>291,862</b>	<b>14,857</b>	<b>5.4%</b>

Source: AMS - USDA

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

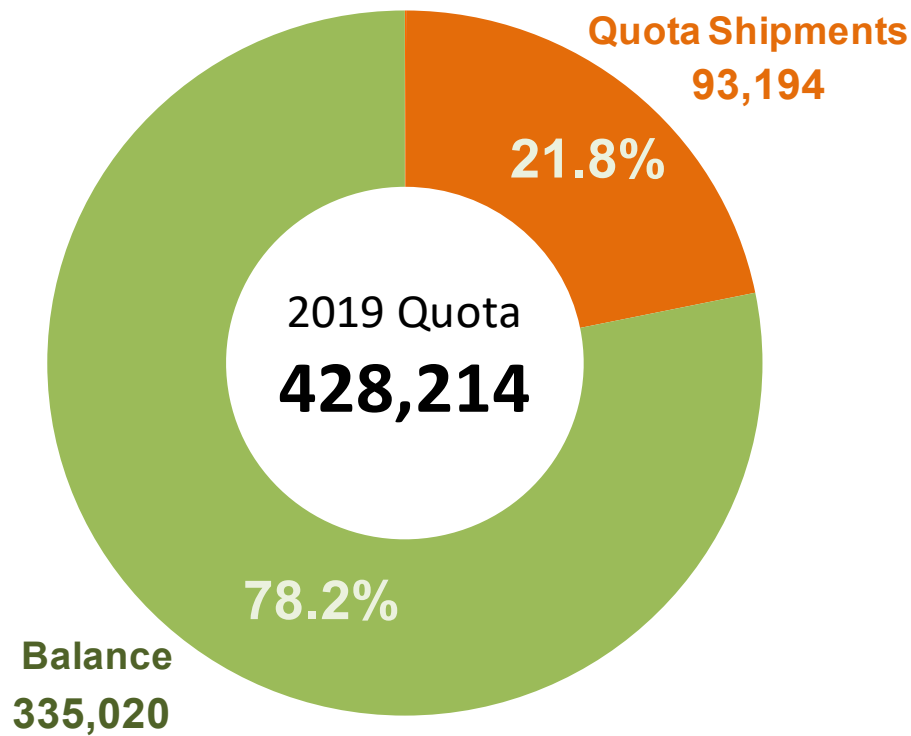
Imports as of April 13, 2019



# Australian Beef Quota Position

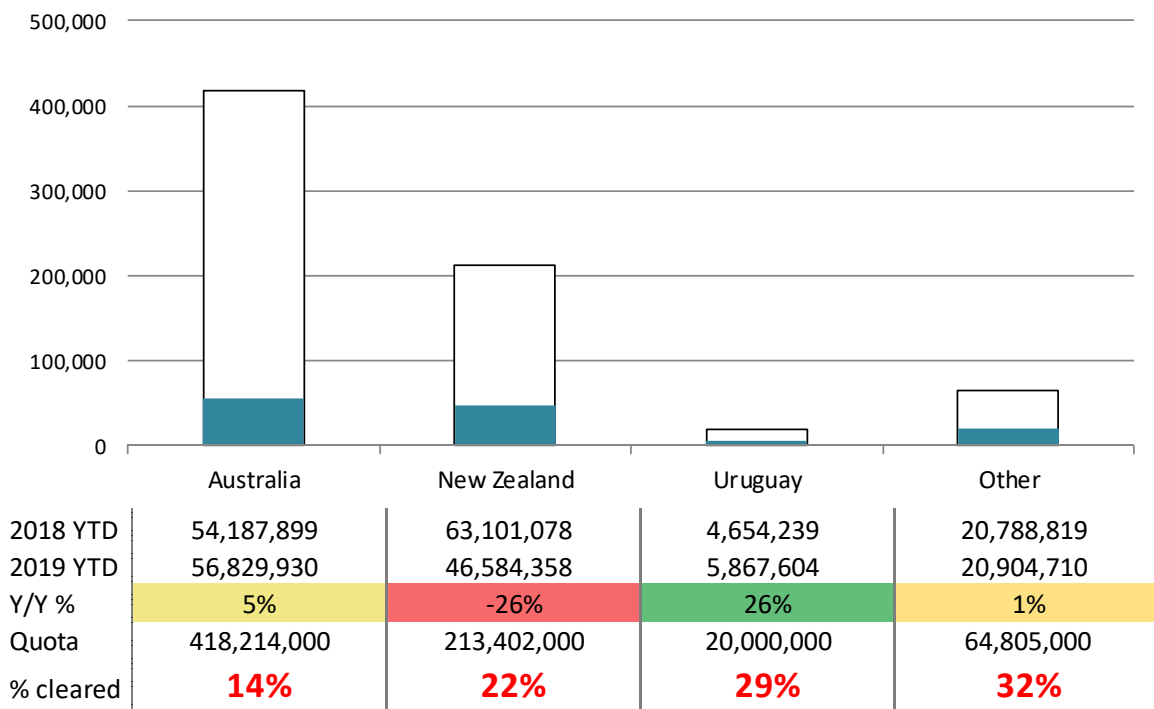
17-Apr-19

Metric Ton. Australian Department of Agriculture Statistics



## USA Quota Entries through Week Ending April 15

Source: US Customs



Note: Customs did not provide an update this week. Data reflects last week's levels.