



# US Imported Beef Market

A Weekly Update

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

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## Market Highlights for the Week:

- Spot imported beef prices continue to hold a softer undertone but finding replacement product at current levels almost impossible, with Australian offerings for delivery later in the summer well above current levels.
- Domestic lean and extra lean values trending lower, causing product delivering in May and June to be lower as well. Seasonally higher supplies from New Zealand and higher imports of Brazilian beef earlier in the year are also keeping market well supplied in the near term
- Pasture conditions are currently well below normal levels, reflecting extreme drought conditions in the Southern Plains. While recent rainfall has provided some relief, beef cows continue to come to market and slaughter is up by double digits compared to normal levels for this time of year.
- Australian beef exports to the US in May are expected to be higher than a year ago but shipments to the US are only slightly higher than in May 2021.
- USDA raised beef output forecasts for 2022 due to higher cow slaughter and drought conditions forcing feeder cattle into feedlots earlier than normal. But supply is forecast to be down as much as 7% in 2023 due to cumulative effect of smaller calf crops in recent years.

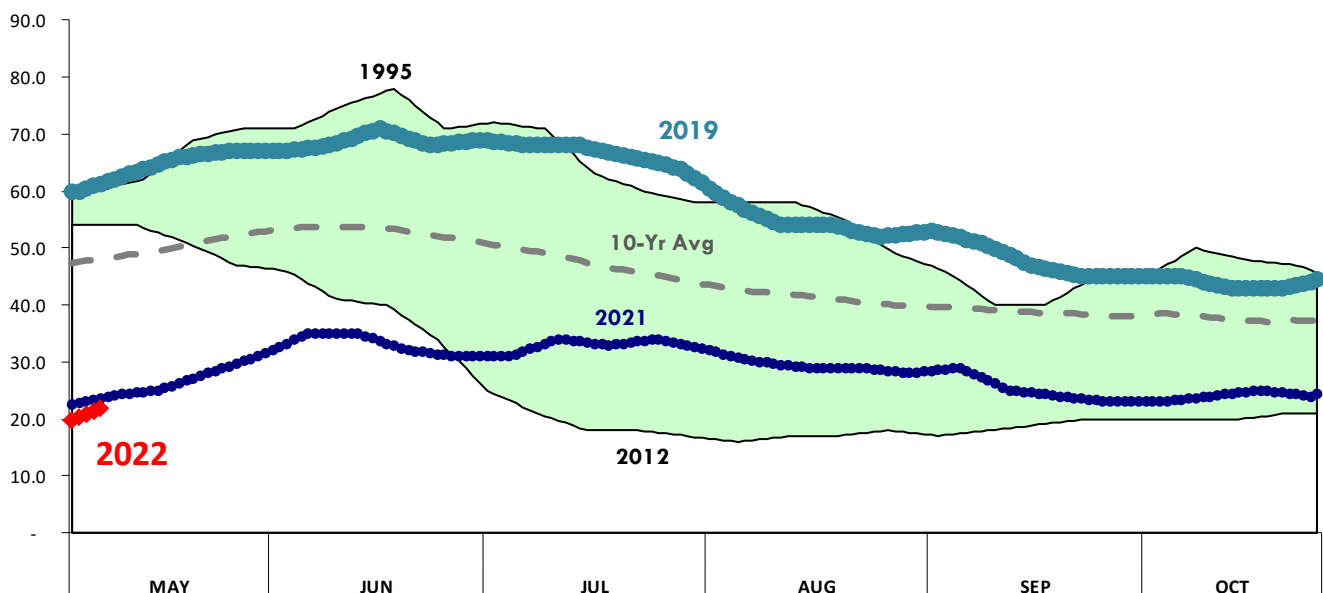
## Imported Market Activity for the Week

Imported beef prices were sharply lower for the week but trading volume is low and finding replacement product at some of the prices we quote in our survey is hard to do, if not impossible. At the moment some business is getting done in New Zealand as cow slaughter is currently running at seasonal highs (we don't have actual data, this is based on what we are hearing and also what is usually the case at this time of year). Lack of Chinese demand continues to hurt the market although

shipments to China out of Australia and New Zealand are not down as much as they were feared. But it is harder to do business there, buyers are not as aggressive in chasing product and thus lower prices are needed to get product on the books. Weaker US demand has further complicated matters. US buyers have seen domestic values trend lower consistently since early April and as a result their bids reflect that dynamic. For now overseas packers are not convinced that demand has changed enough to warrant the deep discounts buyers are currently looking for. Often asking

## US PASTURE CONDITIONS: +30 YEAR HISTORY

% RATED IN GOOD/EXCELLENT CONDITION. Latest week is for May 8, 2022. Data: USDA/NASS. Analysis by Steiner Consulting



prices from Australian packers are 10-15 cents higher than what US buyers are willing to pay. The result is a slow trade and importers that are struggling to narrow the gap.

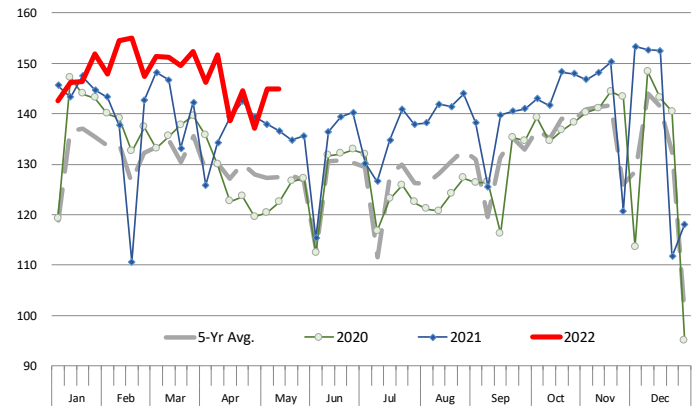
Imported cuts have also seen a weakening trend, largely a result of lower prices for US domestic product. Earlier in the spring there was broad expectation that 100VL product would see robust prices through the summer. This was based on the premiums achieved for product last year, higher cost of processing and lower supplies. Instead domestic 100VL prices have seen a sharp pullback, which in turn has negatively impacted imported product prices. At the start of the year the price of 100VL inside rounds was around \$400/cwt. While it was not likely that the prices would hit the \$500/cwt as it did last year, when buyers were squeezed by shorts, expectations were for upward trending prices through the summer. Last week, however, the price of 100VL cow inside rounds was around \$40/cwt or 10% lower than at the start of the year. Demand from beef jerky manufacturers, who are major buyers of this product, has been lackluster as the spike in gas prices has significantly impacted sales at gas stations. Buying snacks after spending \$75 to fill your gas tank is something that many motorists are foregoing at this time.

Other market notes:

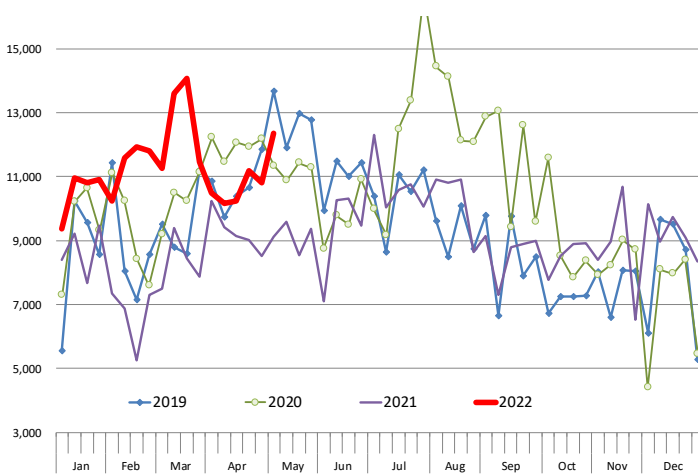
**Update on Brazilian supplies.** Brazilian beef was widely available in the first quarter of the year as weekly imports far outpaced imports from New Zealand and Australia. However, we expect availability to decline in May as April shipments have slowed down significantly. Total Brazilian beef exports in April were 157,470 MT, down about 12k MT from the previous month but still about 26% higher than a year ago. Exports to China rebounded and were a little over 98k MT in April, 57% higher than a year ago and accounting for 62% of overall shipments. Shipments to the US market were 4,087 MT, down from 11,564 MT the previous month and the lowest monthly shipments since June of last year. Weakness in US lean beef prices, with domestic at \$270/cwt for fresh 90s, and the 26.5% tariff have made it much more difficult to get product bought in Brazil. The strength of the US dollar has helped offset some of the tariff impact, as the Brazilian real has lost 9.5% vs. the US dollar but that is not enough to offset the tax and lower market prices.

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

Source: USDA-AMS. Analysis by Steiner Consulting

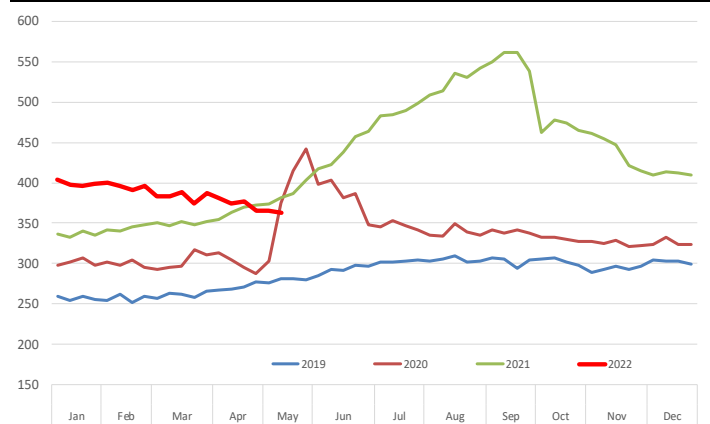


**BEEF IMPORTS FROM MAJOR GRINDING BEEF EXPORTING COUNTRIES. FR/FZ BEEF ONLY. METRIC TON**  
Data Source: USDA Livestock, Poultry & Grain Market News



**Price History for 100VL Inside Rounds, Fresh, Domestic, FOB. \$/cwt**

Source: USDA-AMS. Analysis by Steiner Consulting



**Australian shipments trending higher in May.**

It is becoming clear that there were either data problems with Australian exports in April or the late Easter/ANZAC holidays caused a delay in export shipments. As we noted last week, Australian beef shipments in April were down 15%, with exports to Japan down 25% and exports to the US

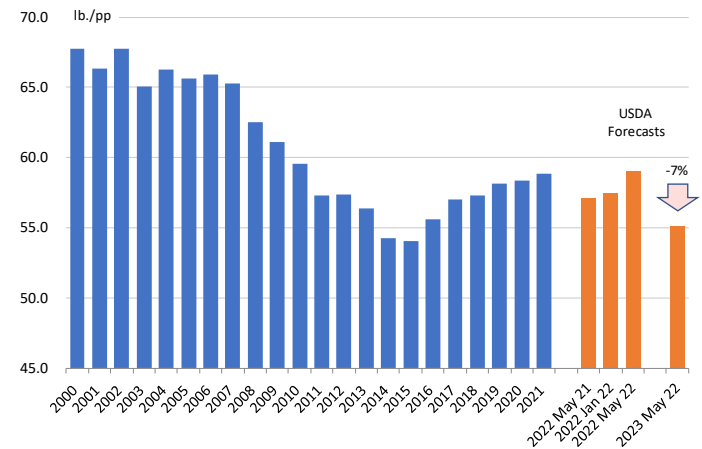
down 17%. Based on the pace of shipments in May we could see total Australian beef exports in May to be around 94,000 MT but we think this is because the first week likely saw shipments that would have taken place in late April. It is more likely, in our view that total Australian shipments in May will be around 85,000 MT. If this number is correct, it will still be around 11% higher than a year ago, with exports to Japan and other Asian markets seeing the biggest bump. Shipments to the US are now projected at around 11,800 MT (slowed than current pace), 2% higher than a year ago.

### **USDA beef supply projections for 2022 and 2023.**

Over the last 12 months USDA has made some significant upward revisions to beef production forecasts for 2022. The latest projections put beef production for 2022 at 27.910 billion pounds, down 106 million pounds or -0.4% from the previous year. At the start of the year USDA was expecting beef production for 2022 to be down 785 million pounds or -2.8%. The high rate of cow slaughter in the first four months of the year, and the increase in the number of cattle placed on feed drove these revisions to beef supply projections. But while producers appear to be pulling cattle supplies forward, the supply on the ground continues to decline, implying an even bigger decline in availability down the road. Different from hogs, where producers are able to offset the drop in the breeding stock by getting more pigs per litter, cattle producers are limited by biology. The calf crop was down last year and it's a sure bet that it will be down again this year. Once producers stop pushing female calves into feedlots, the supply hole will get even bigger. USDA is forecasting beef production for 2023 to be 26.018 billion pounds, down 1.9 billion pounds or -6.8% compared to the 2022 forecast. This would be the biggest y/y decline in beef production on record, surpassing the drop experienced in 2004 (BSE) and 2014 (drought). USDA has been consistently increasing import projections, reflecting the bigger volume coming from Brazil and Mexico and expectations for more imports from Australia in the second half of the year. Currently USDA is forecasting beef imports to be 3.545 billion pounds, 280 million pounds or 8.6% higher than the January forecast and 5.6% higher than a year ago. Beef exports for 2022 have also been revised up by 86 million pounds since the start of the year but they are still forecast to be down 2.6% for the year. As a result, per capita

### **Per Capita Beef Consumption. 2000 - 2021 + 2022/23 Forecasts**

Forecasts reflect USDA WASDE Updates in Jan 2022 and May 2022. Analysis by Steiner Consulting



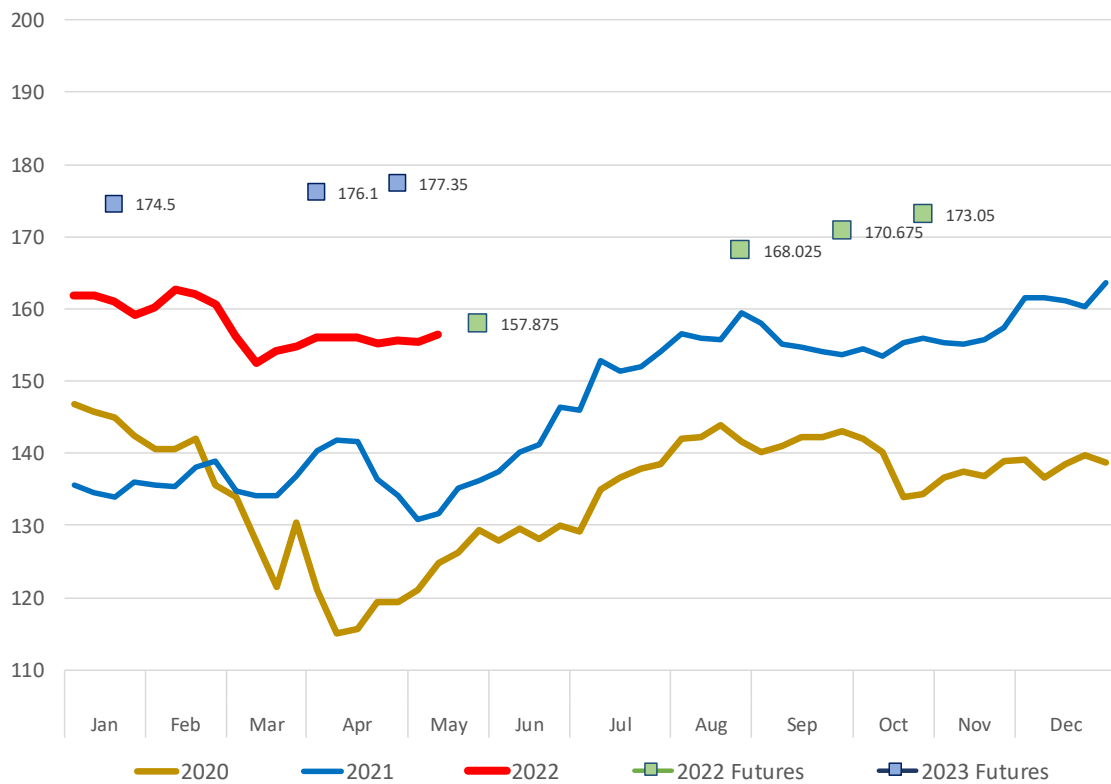
beef consumption in 2022 is forecast to be slightly higher than in 2021 but the drop in output next year has USDA forecasting a huge 7% decline in beef per capita consumption next year.

# CME Cattle Feeder Index and US Cattle Markets

|   | Current Week | Prior Week | % CHANGE VS. WK AGO | Last Year | Change from Last Year |
|---|--------------|------------|---------------------|-----------|-----------------------|
|   | 12-May-22    | 5-May-22   |                     | 13-May-21 |                       |
| CME FEEDER CATTLE INDEX   | 156.36       | 155.51     | 0.5%                | 131.73    | 18.7%                 |
|   | 13-May-22    | 6-May-22   |                     | 14-May-21 |                       |
| FED STEER (5-MKT AVG)   | 142.52       | 143.59     | -0.7%               | 119.64    | 19.1%                 |
| CUTTER COW CARCASS, NATIONAL, 90% LEAN, 350-400 LB. (carcass wt.) | 141.00       | 141.50     | -0.4%               | 117.50    | 20.0%                 |
| BONER COW CARCASS, NATIONAL, 85% LEAN, 400-500 LB. (carcass wt.)  | 148.50       | 148.50     | 0.0%                | 121.00    | 22.7%                 |
| BREAKER COW CARCASS, NATIONAL, 75% LEAN, 500+ (carcass wt.)       | 150.00       | 150.00     | 0.0%                | 123.00    | 22.0%                 |
| CUTTER COW CARCASS CUTOUT, 5-DAY MA, USDA                         | 217.92       | 219.01     | -0.5%               | 205.16    | 6.2%                  |

## Weekly CME Feeder Cattle Index

Source: CME. Analysis by Steiner Consulting



Source: Chicago Mercantile Exchange

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

|   | Current Week |       | Prior Week |       | Change<br>From Last<br>Week | Last Year |       | Change<br>From Last<br>Year |
|---|--------------|-------|------------|-------|-----------------------------|-----------|-------|-----------------------------|
|   | 13-May-22    |       | 6-May-22   |       |                             | 14-May-21 |       |                             |
| <b><u>US East Coast Australian/NZ Lean, CIF</u></b> |              |       |            |       |                             |           |       |                             |
| <b>95 CL Bull, E. Coast</b>                         | 305.0        | 310.0 | 314.0      | 315.0 | -5.0                        | 275.0     | 280.0 | 30.0                        |
| <b>90 CL Blended Cow</b>                            | 285.0        | 290.0 | 290.0      | 291.0 | -1.0                        | 255.0     | 260.0 | 30.0                        |
| <b>90 CL Shank</b>                                  |              | UNQ   |            | 280.0 | N/A                         |           | 260.0 | N/A                         |
| <b>85 CL Fores</b>                                  |              | 270.0 | 270.0      | 271.0 | -1.0                        | 239.0     | 240.0 | 30.0                        |
| <b>85 CL Chucks</b>                                 |              | UNQ   |            | UNQ   | N/A                         |           | UNQ   | N/A                         |
| <b>95 CL Bull, W. Coast</b>                         | 305.0        | 310.0 |            | 315.0 | -5.0                        | 277.0     | 278.0 | 32.0                        |
| <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>                              | 269.0        | 270.0 |            | 270.0 | 0.0                         | 238.0     | 239.0 | 31.0                        |
| <b>80 CL Trimmings</b>                              |              | UNQ   |            | UNQ   | N/A                         |           | 215.0 | N/A                         |
| <b>75 CL Trimmings</b>                              |              | UNQ   |            | UNQ   | N/A                         |           | UNQ   | 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>                        | 360.0        | 365.0 | 360.0      | 365.0 | 0.0                         | 350.0     | 355.0 | 10.0                        |
| <b>Steer Insides 14/18</b>                          |              | UNQ   |            | UNQ   | N/A                         |           | UNQ   | N/A                         |
| <b>Steer Flats</b>                                  | 310.0        | 315.0 |            | UNQ   | N/A                         | 305.0     | 308.0 | 7.0                         |
| <b>Steer Knuckles</b>                               |              | 310.0 |            | 310.0 | 0.0                         | 300.0     | 305.0 | 5.0                         |

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

|   | Current Week |           | Prior Week |          | Change<br>From Last<br>Week | Last Year |           | Change<br>From Last<br>Year |
|---|--------------|-----------|------------|----------|-----------------------------|-----------|-----------|-----------------------------|
|   | 13-May-22    | 13-May-22 | 6-May-22   | 6-May-22 |                             | 14-May-21 | 14-May-21 |                             |
| <b><u>US East Coast Australian/NZ Lean, FOB US Port</u></b> |              |           |            |          |                             |           |           |                             |
| 95 CL Bull, E. Coast  | 314.0        | 315.0     | 320.0      | 324.0    | -9.0                        | 290.0     | 294.0     | 21.0                        |
| 90 CL Blended Cow   | 285.0        | 290.0     | 299.0      | 300.0    | -10.0                       | 270.0     | 274.0     | 16.0                        |
| 90 CL Shank   |              | UNQ       |            | 290.0    | N/A                         |           | 275.0     | N/A                         |
| 85 CL Fores   | 277.0        | 278.0     | 279.0      | 280.0    | -2.0                        | 250.0     | 252.0     | 26.0                        |
| 85 CL Chucks  |              | UNQ       |            | UNQ      | N/A                         |           | UNQ       | N/A                         |
| 95 CL Bull, W. Coast  | 314.0        | 317.0     | 322.0      | 325.0    | -8.0                        | 289.0     | 291.0     | 26.0                        |
| Uruguay CFH 90CL, E. Coast                                  |              | UNQ       |            | UNQ      | N/A                         |           | UNQ       | N/A                         |
| <b><u>US East Coast, Trimmings, FOB US Port</u></b>         |              |           |            |          |                             |           |           |                             |
| 85 CL Trimmings   | 275.0        | 277.0     | 278.0      | 279.0    | -2.0                        |           | 250.0     | 27.0                        |
| 80 CL Trimmings   |              | UNQ       |            | 260.0    | N/A                         | 220.0     | 223.0     | N/A                         |
| 75 CL Trimmings   |              | UNQ       |            | UNQ      | N/A                         |           | UNQ       | N/A                         |
| 65 CL Trimmings   |              | UNQ       |            | UNQ      | N/A                         |           | UNQ       | N/A                         |
| <b><u>US East Coast Australian Cuts, FOB US Port</u></b>    |              |           |            |          |                             |           |           |                             |
| Cap Off Steer Insides                                       |              | 380.0     | 380.0      | 385.0    | -5.0                        | 360.0     | 365.0     | 15.0                        |
| Steer Insides 14/18   |              | UNQ       |            | UNQ      | N/A                         |           | UNQ       | N/A                         |
| Steer Flats   |              | 330.0     |            | UNQ      | N/A                         | 320.0     | 325.0     | 5.0                         |
| Steer Knuckles  |              | 320.0     | 320.0      | 325.0    | -5.0                        | 315.0     | 320.0     | 0.0                         |

**TABLE 4 – US DOMESTIC BEEF AND CATTLE PRICES**

|  | Current Week |       |        | Prior Week |       |        | Change From Last Week | Last Year |       |        | Change from Last Year |
|--|--------------|-------|--------|------------|-------|--------|-----------------------|-----------|-------|--------|-----------------------|
|  | 13-May-22    |       |        | 6-May-22   |       |        | 14-May-21             |           |       |        |                       |
|  | Low          | High  | Wt.Avg | Low        | High  | Wt.Avg |                       | Low       | High  | Wt.Avg |                       |
| <b><u>Domestic Cutouts</u></b>   |              |       |        |            |       |        |                       |           |       |        |                       |
| Choice Cutout  | 258.95       |       |        | 254.44     |       |        | 4.5                   | 316.94    |       |        | -58.0                 |
| Select Cutout  | 243.90       |       |        | 245.06     |       |        | -1.2                  | 293.19    |       |        | -49.3                 |
| <b><u>Domestic Lean Grinding Beef</u></b>  |              |       |        |            |       |        |                       |           |       |        |                       |
| 90 CL Boneless   | 269.0        | 285.5 | 271.8  | 267.0      | 292.0 | 273.0  | -1.2                  | 242.0     | 260.0 | 250.4  | 21.4                  |
| 85 CL Beef Trimmings   | 236.5        | 268.0 | 243.1  | 229.3      | 256.0 | 243.4  | -0.3                  | 215.0     | 248.0 | 222.3  | 20.8                  |
| 50 CL Beef Trim  | 90.0         | 127.0 | 101.6  | 89.0       | 127.0 | 108.1  | -6.6                  | 77.0      | 92.0  | 85.4   | 16.2                  |
| <b><u>Domestic Pork Trim</u></b>   |              |       |        |            |       |        |                       |           |       |        |                       |
| 42 CL Pork Trim  | 72.4         | 109.3 | 91.3   | 68.3       | 103.3 | 84.2   | 7.1                   | 75.5      | 103.5 | 87.8   | 3.5                   |
| 72 CL Pork Trim  | 84.3         | 135.0 | 103.5  | 92.5       | 146.8 | 107.2  | -3.7                  | 120.6     | 162.5 | 129.2  | -25.7                 |
| <b><u>Point of Lean Values</u></b>   |              |       |        |            |       |        |                       |           |       |        |                       |
| 90 CL Domestic   | 302.0        |       |        | 303.3      |       |        | -1.3                  | 278.2     |       |        | 23.8                  |
| 50 CL Beef Trimming  | 203.1        |       |        | 216.3      |       |        | -13.2                 | 170.7     |       |        | 32.4                  |
| 42 CL Pork Trim  | 217.3        |       |        | 200.5      |       |        | 16.8                  | 209.0     |       |        | 8.3                   |
| 72 CL Pork Trim  | 143.8        |       |        | 148.9      |       |        | -5.1                  | 179.5     |       |        | -35.7                 |
| <b><u>National Direct Fed Steer</u></b><br><b><u>(5-day accum. wt. avg. price)</u></b> | 142.52       |       |        | 143.59     |       |        | -1.1                  | 119.64    |       |        | 22.9                  |

**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>13-May-22</b> | <b>6-May-22</b> |                  |       | <b>14-May-21</b> |             |           |
| <b><u>Live Cattle Futures</u></b>   |                  |                 |                  |       |                  |             |           |
| June '22                            | 132.075          | 132.750         | ↓                | -0.68 | 115.300          | ↑           | 16.78     |
| August '22                          | 132.350          | 135.350         | ↓                | -3.00 | 118.825          | ↑           | 13.53     |
| October '22                         | 139.125          | 142.875         | ↓                | -3.75 | 123.250          | ↑           | 15.88     |
| December '22                        | 145.525          | 149.250         | ↓                | -3.72 | 127.325          | ↑           | 18.20     |
| <b><u>Feeder Cattle Futures</u></b> |                  |                 |                  |       |                  |             |           |
| May '22                             | 157.875          | 159.550         | ↓                | -1.68 | 137.550          | ↑           | 20.33     |
| August '22                          | 168.025          | 174.700         | ↓                | -6.67 | 151.150          | ↑           | 16.88     |
| November '22                        | 174.900          | 181.525         | ↓                | -6.63 | 154.525          | ↑           | 20.38     |
| January '23                         | 174.500          | 180.750         | ↓                | -6.25 | 153.475          | ↑           | 21.03     |
| <b><u>Corn Futures</u></b>          |                  |                 |                  |       |                  |             |           |
| May '22                             | 794.500          | 792.250         | ↑                | 2.25  | 685.000          | ↑           | 109.50    |
| July '22                            | 781.250          | 784.750         | ↓                | -3.50 | 643.750          | ↑           | 137.50    |
| September '22                       | 757.500          | 742.000         | ↑                | 15.50 | 563.000          | ↑           | 194.50    |
| December '22                        | 748.750          | 720.750         | ↑                | 28.00 | 542.750          | ↑           | 206.00    |
| <b><u>Ch Wheat Futures</u></b>      |                  |                 |                  |       |                  |             |           |
| May '22                             | 1167 1/4         | 1097            | ↑                | 70.25 | 727 1/4          | ↑           | 440.00    |
| July '22                            | 1177 1/2         | 1108 1/2        | ↑                | 69.00 | 707 1/4          | ↑           | 470.25    |
| September '22                       | 1181             | 1109 3/4        | ↑                | 71.25 | 707 1/4          | ↑           | 473.75    |
| December '22                        | 1185             | 1112 1/4        | ↑                | 72.75 | 709 3/4          | ↑           | 475.25    |

| Slaughter Information                | 7 Days Ending    | 7 Days Ending    | Change From Last |        | 7 Days Ending    | Change From |           |
|--------------------------------------|------------------|------------------|------------------|--------|------------------|-------------|-----------|
|                                      |                  |                  | Week             | Week   |                  | Last Year   | Last Year |
|                                      | <b>14-May-22</b> | <b>7-May-22</b>  |                  |        | <b>15-May-21</b> |             |           |
| <b><u>Total Cattle Slaughter</u></b> | 657,000          | 657,000          | ↓                | 0      | 644,400          | ↑           | 12,600    |
|                                      | <b>30-Apr-22</b> | <b>23-Apr-22</b> |                  |        | <b>1-May-21</b>  |             |           |
| <b><u>Total Cow Slaughter</u></b>    | 125,853          | 133,131          | ↓                | -7,278 | 128,100          | ↓           | -2,247    |
| <b><u>Dairy Cow Slaughter</u></b>    | 51,580           | 56,367           | ↓                | -4,787 | 55,700           | ↓           | -4,120    |
| <b><u>Beef Cow Slaughter</u></b>     | 74,273           | 76,764           | ↓                | -2,491 | 72,400           | ↑           | 1,873     |



# TABLE 7 - US BEEF IMPORTS

(Source: USDA/AMS)

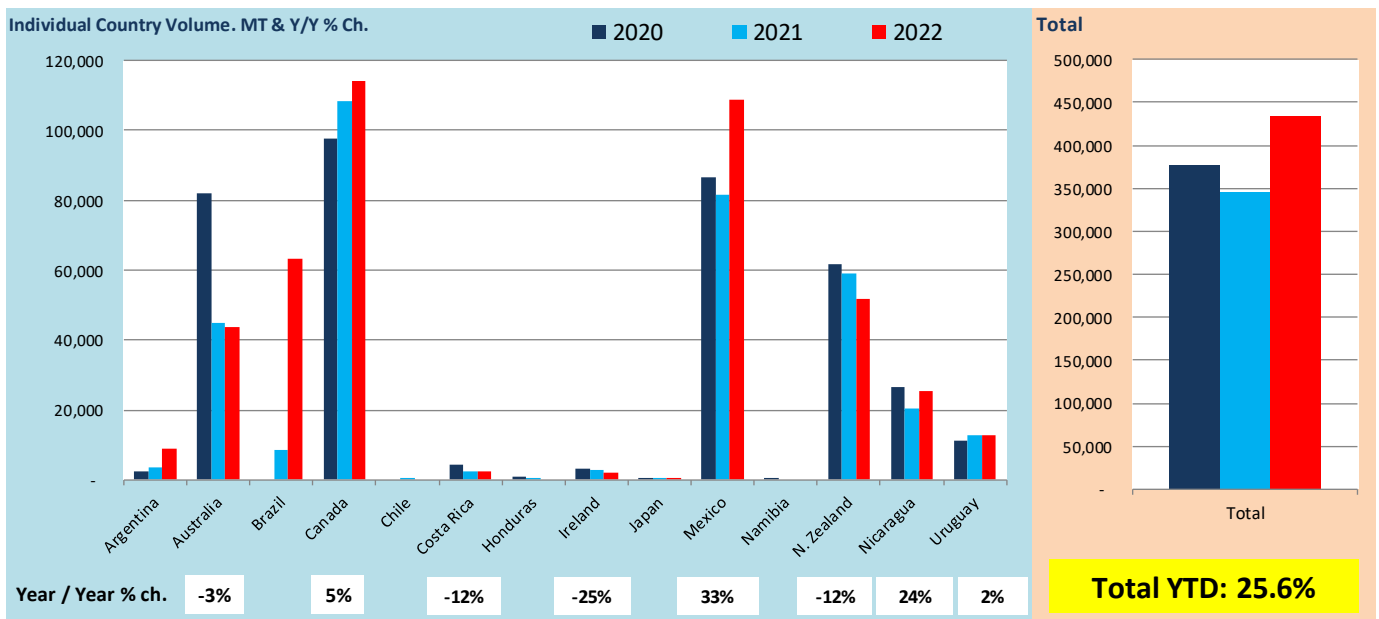
## YTD Imported Fresh/Frz Beef Passed for Entry in the US

| week 19      | 5/8/2021       | 5/7/2022       |               |              |
|--------------|----------------|----------------|---------------|--------------|
| Argentina    | 3,890          | 9,692          | 5,802         | 149.2%       |
| Australia    | 47,655         | 46,721         | (934)         | -2.0%        |
| Brazil       | 9,331          | 66,439         | 57,108        | 612.0%       |
| Canada       | 114,568        | 120,379        | 5,811         | 5.1%         |
| Chile        | 132            | -              | (132)         | -100.0%      |
| Costa Rica   | 2,780          | 2,429          | (351)         | -12.6%       |
| France       | -              | -              | -             |              |
| Honduras     | 22             | -              | (22)          | -100.0%      |
| Ireland      | 2,988          | 2,331          | (657)         | -22.0%       |
| Japan        | 306            | 431            | 125           | 40.8%        |
| Mexico       | 86,141         | 114,654        | 28,513        | 33.1%        |
| Namibia      | -              | -              | -             |              |
| Netherlands  | -              | -              | -             |              |
| New Zealand  | 62,600         | 55,115         | (7,485)       | -12.0%       |
| Nicaragua    | 21,181         | 26,920         | 5,739         | 27.1%        |
| Spain        | -              | -              | -             |              |
| Uruguay      | 13,801         | 13,937         | 136           | 1.0%         |
| <b>Total</b> | <b>365,395</b> | <b>459,050</b> | <b>93,655</b> | <b>25.6%</b> |

Source: AMS - USDA

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

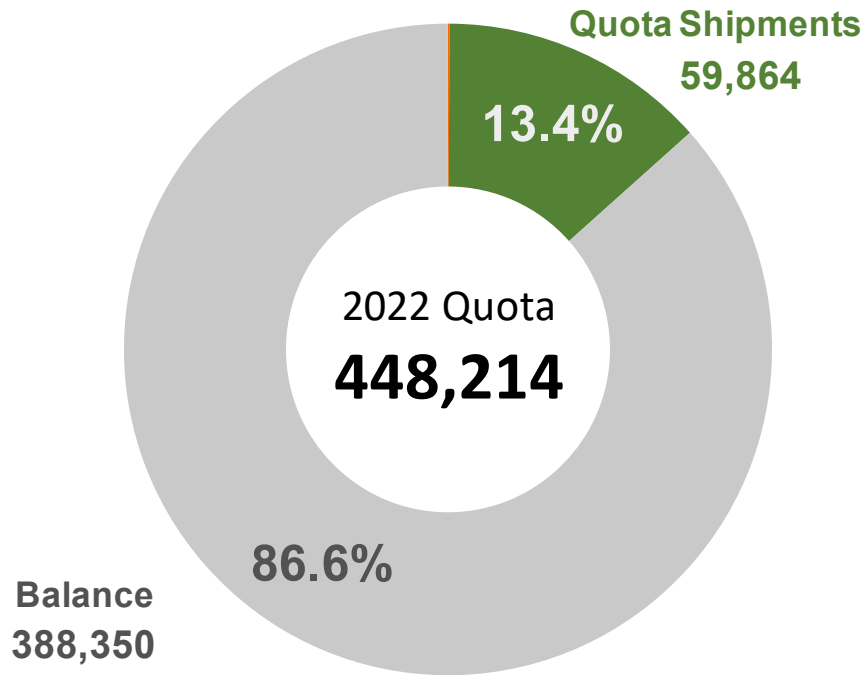
Imports as of April 30, 2022



# Australian Beef Quota Position

12-May-22

Metric Ton. Australian Department of Agriculture Statistics



## USA Quota Entries through Week Ending May 9. Metric Ton

Data source: US Customs. Analysis by Steiner Consulting

