

# Global Beef Market Monthly Review

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## Year in review

**China:** Imports for 2023 are currently pegged at +2% vs. previous year. At the start of the year our forecast was for a 4% increase. USDA expects Chinese beef imports in 2024 to be down 2.8% from 2023.

**Japan:** 2023 imports are expected to be down 12% from a year ago. This is far lower than our forecast at the start of the year for a 3% increase in Japanese beef imports and a major factor in the world beef market, behind the slowdown in imports from China. USDA expects Japanese imports in 2024 to be flat vs. 2023.

**S. Korea:** 2023 imports are expected to be up 1% vs. year ago. Our forecast at the start of 2023 was for S. Korea been imports to be up 2%. USDA expects imports in 2024 to be up 1.7%.

**USA:** 2023 imports expected to be up 9% vs. a year ago. Our forecast at the start of 2023 was for a 3% increase. The surge in US imports, in part due to a slowdown in other markets, has contributed to a wider than expected price spread between domestic and imported beef. USDA is forecasting US beef imports in 2024 to be up by less than 1%.

**Brazil:** 2023 exports currently projected to be down 2% vs a year ago. Forecast earlier in the year was for a 4% increase. Slowdown in exports to China but also other markets, especially in the Middle East, negatively impacted Brazilian exports. USDA is forecasting Brazilian exports for 2024 to be 3.6% higher than a year ago.

**Australia:** 2023 exports currently projected to be 26% higher than in 2022. Forecast at start of the year was for a 15% increase. USDA is currently forecasting a 4.6% increase.

**USA:** 2023 exports projected 15% below 2022 vs. 7% forecast at start of year. USDA current forecast for 2024 is for a 6% decline.

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

Data sources: Various. Analysis and Forecasts by Steiner Consulting

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Countries	% of global trade	Most Recent Trade Data	Y/Y Ch.	Y/Y % ch.		2022	2023 Estimate	Y/Y Ch.	Y/Y % ch.
EXPORTS						5,123,269	5,151,140	27,872	1%
Australia	11%	Nov 2023	93,802	24,105	35%	854,593	1,076,787	222,194	26%
Argentina	6%	Nov 2023	57,540	434	1%	635,517	670,471	34,953	5%
New Zealand	6%	Nov 2023	41,834	6,062	17%	497,609	522,987	25,378	5%
Brazil	20%	Nov 2023	187,977	39,133	26%	1,996,585	1,912,776	-83,809	-4%
USA	14%	Oct 2023	76,323	-20,660	-21%	1,138,964	968,119	-170,845	-15%
IMPORTS						4,903,092	5,065,850	162,758	3%
USA	15%	Oct 2023	101,140	16,958	20%	1,083,310	1,175,392	92,081	8%
China	30%	Nov 2023	236,405	-14,467	-6%	2,688,643	2,777,368	88,725	3%
Hong Kong	4%	Nov 2023	7,974	368	5%	96,565	98,980	2,414	2%
Japan	8%	Nov 2023	33,419	-6,029	-15%	560,154	534,947	-25,207	-5%
S. Korea	6%	Nov 2023	33,560	1,344	4%	474,419	479,163	4,744	1%

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

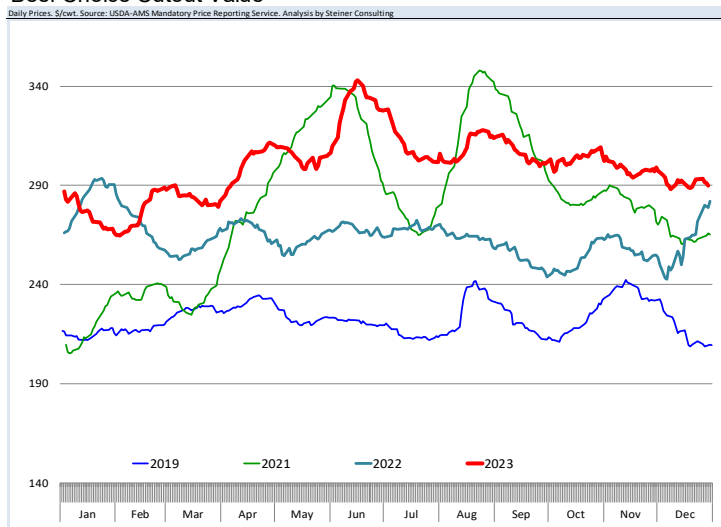
## North America Market Update

**United States:** US cattle slaughter is expected to normalize following two short weeks at the end of December. Fed cattle slaughter for the week ending December 30 was 394k head and it is expected to be under 400k head this week as well. In the next two weeks, however, fed cattle slaughter should be about 100k head higher. Will fed cattle slaughter in Q1 be close to what it was last year? It's an important question with implications for both wholesale beef prices and fed cattle values. As of December 1, the inventory in feedlots with +1000 head capacity was 2.7% higher than a year ago. And the supply of cattle with more than 120 days on feed was up by more than 6%. Packer margins, on the other hand, are lower than they have been in past years, offering little incentive to run Saturday shifts.

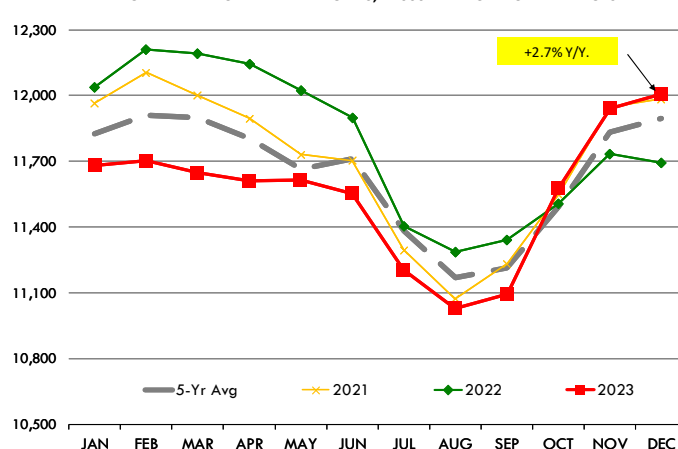
The inescapable conclusion is that for feedlots to get more current they need to be more aggressive in selling cattle while at the same time packers will have their work cut out for them to get the cutout to stay where it is, let alone gain ground. Seasonal factors are at play in the near term. Normally after the holidays high value cuts lose ground while end cuts benefit from retailers featuring less expensive beef roasts and ground beef. The choice beef cutout was up 12% y/y in December, supported in part by higher prices for high value cuts, such as ribeyes and tenderloins. For all the talk of weak consumer spending and foodservice headwinds, buyers seemed to have no trouble paying record prices for staples of holiday dinner parties and restaurant dining. During the holidays, demand for those items tends to be inelastic. The price of bone-in choice ribeyes in December averaged a record \$12.45/cwt, 15% above last year's record price. The rib primal as a whole averaged \$581/cwt, \$66/cwt (+13%) higher than a year ago. The higher value of the rib primal added about \$7.5/cwt y/y to the choice cutout. The loin primal in December averaged \$386/cwt, \$52/cwt (+15%) higher than a year ago.

Wholesale beef prices have declined 5% in the first three days of the new year. If last year is any guide (see chart), ribs could see even more downside in the next few weeks. Fat trim and lean beef prices saw significant downside pressure in December, a function of slowing sales at foodservice, larger inventories and heavier cattle coming to market. Fed cattle weights remain heavy and this continues to bring more fat trim in the market. However, the key in our mind is an improvement in foodservice sales something that could take time to develop, partly because quick service companies have increased prices but also because there has been a shift in features towards more chicken. And it takes months, not weeks, for foodservice demand to turn around.

Beef Choice Cutout Value



MONTHLY FED CATTLE INVENTORIES, +1000 HEAD CAPACITY FEEDLOTS



**Mexico:** The Mexican peso surged higher vs. the US dollar towards the end of the year. This tends to benefit Mexican imports of US product, be this beef, pork or chicken. On the other hand, the strong Peso continues to negatively impact Mexican beef exports to the US. US imports of Mexican beef in 2023 were down 10% from a year ago and we expect shipments to remain limited through the first quarter, partly due to the currency but also lower beef prices in the US market than previously expected.

Beef production in Mexico continues to steadily increase, something that's expected to continue in 2024. This is a function of the steady increase in the beef cow herd and expectations for improved pasture conditions. Beef production in November was estimated at 193,021 MT, 2.6% higher than a year ago. Year to date beef production in Mexico is up 39,389 MT, 2% higher than a year ago and in line with USDA forecasts.

US beef imports from Central American countries, with Nicaragua the main supplier, are also down y/y. Imports

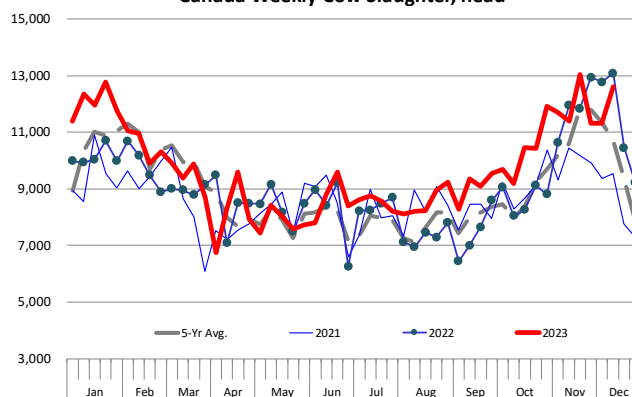
## North America (continued)

from Nicaragua increased in November and December so that by the end of 2023 imports were down just 2%.

**Canada:** It's not a surprise that cow slaughter in Canada was up through the fall, it's something that happens every year and last year was not any different. As we noted in our last update, drought conditions in Western Canada continued to push producers to send beef cows to market despite the smaller beef cow herd. In the four weeks ending December 17 cow slaughter in Canada was 48,296 head, down 4.6% from the extremely high levels in 2022 but still about 6% higher than the five year average. Fed cattle slaughter during this period was 213,350 head, 1% lower than last year but 3.5% higher than the five year average.

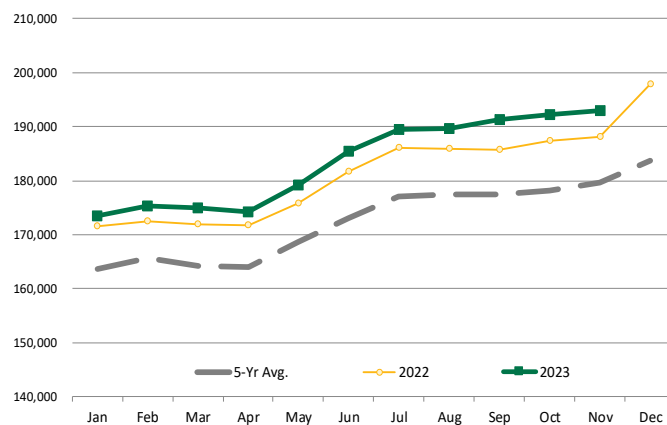
Fed cattle slaughter in Canada is likely to remain at or below year ago levels, at least in the near term. The total supply of cattle on feed in Alberta and Saskatchewan feedlots as of December 1 was 1.117 million head, slightly lower than a year ago. Placements in November were 277,945 head, 16% lower than a year ago and 15% lower than the five year average. Marketings were 152,743 head, down 10% vs. last year. The smaller supply of cattle outside feedlots will limit the flow of feeder cattle into feedlots in 2024 and expectations are for Canadian beef production to be down. The initial USDA forecast is for Canadian production to be down 4.5% vs. 2023 and down 10% vs. 2022. Imports in 2024 are expected to be up 2.2%, a forecast that reflects less beef supply in the US while exports are expected to decline 6.3%.

Canada Weekly Cow Slaughter, head

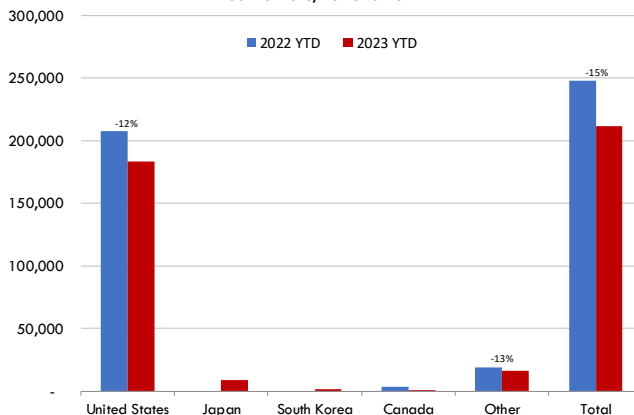


Mexico Beef Production

Source: SAGARPA



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

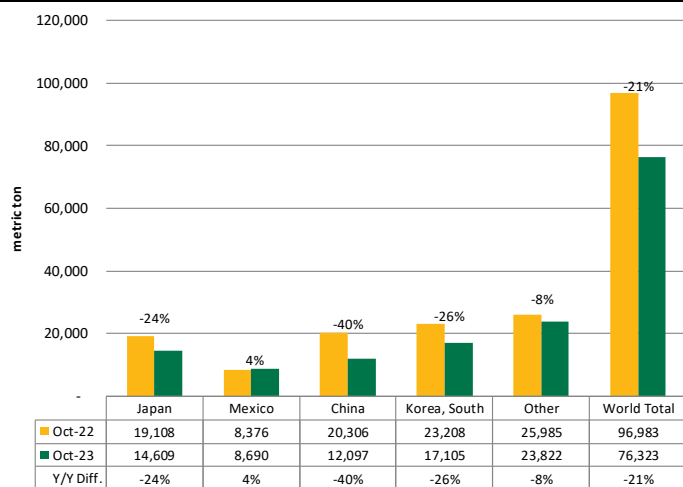


## North America Trade Statistics

### USA Fresh/Frozen Beef Exports

Latest Data for October

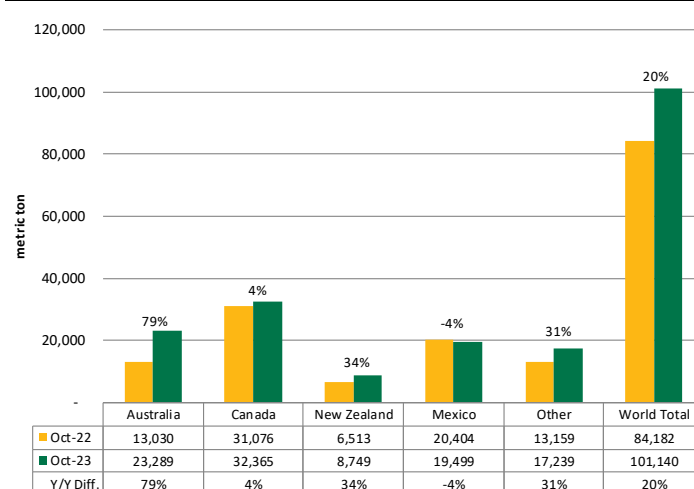
Units: Metric Tons



### USA Fresh/Frozen Beef Imports

Latest Data for October

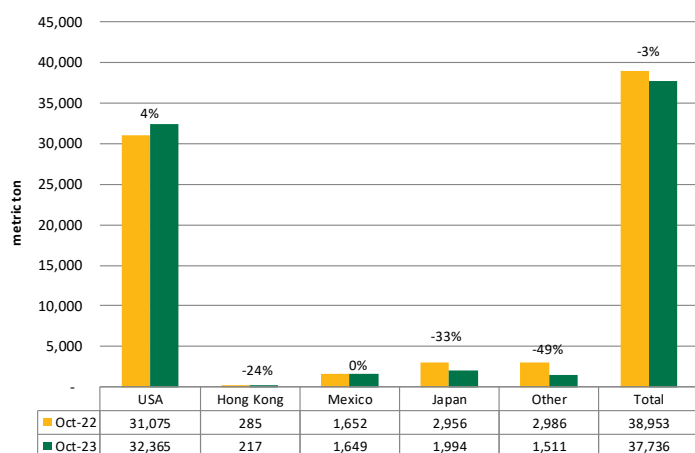
Units: Metric Tons



### Canada Fresh/Frozen Beef Exports

Latest Data for October

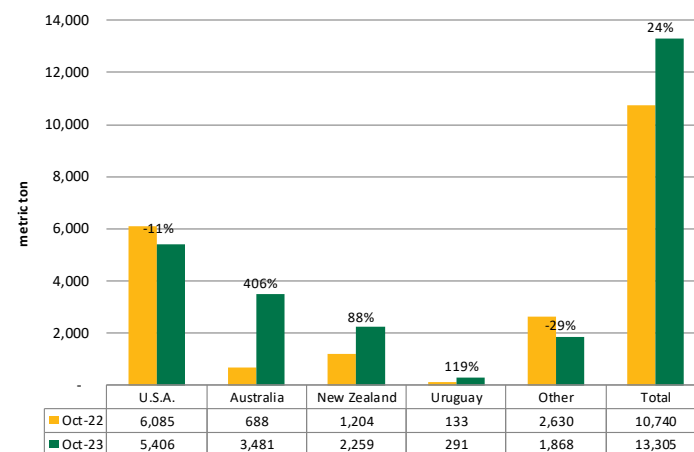
Units: Metric Tons



### Canada Fresh/Frozen Beef Imports

Latest Data for October

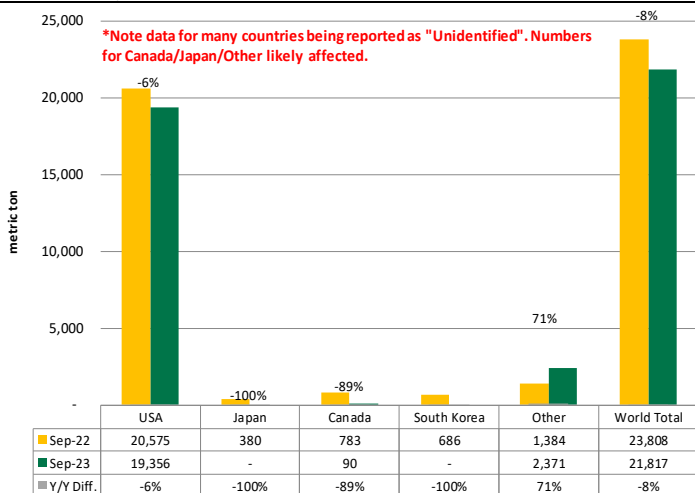
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### Mexico Fresh/Frozen Beef Exports

Latest Data for September

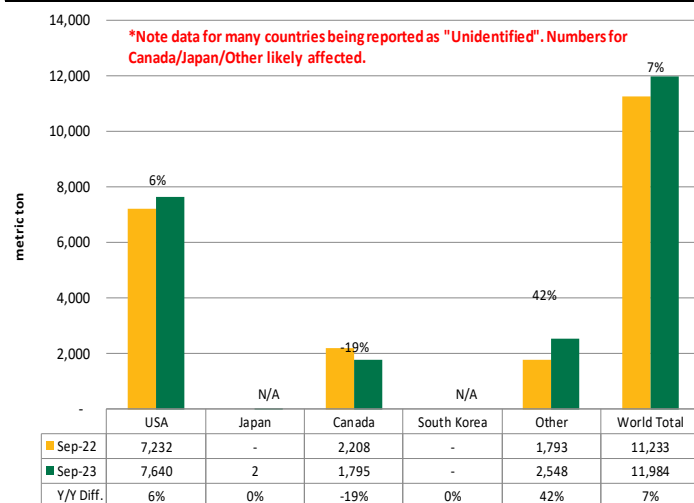
Units: Metric Tons



### Mexico Fresh/Frozen Beef Imports

Latest Data for September

Units: Metric Tons



## South America Market Update

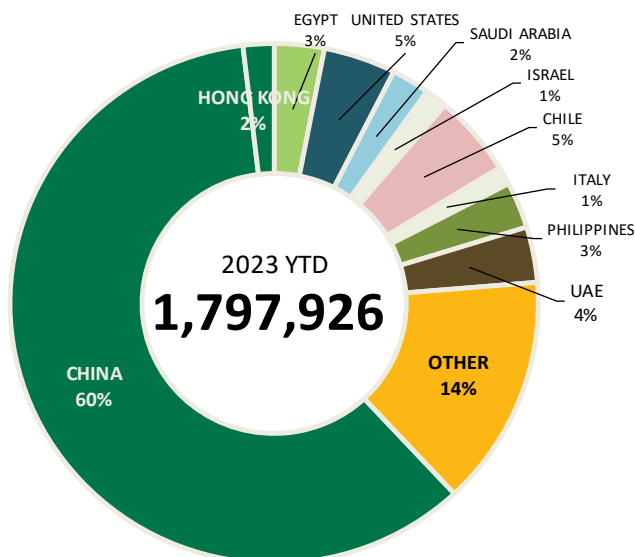
**Brazil:** Brazilian cattle slaughter estimates continue to point to ample supplies in the final quarter of 2023, hence the robust increase in slaughter to all markets, particularly China. While cattle prices were down from the previous year, improving export demand helped put a floor under prices and, by some estimates, cattle prices in Brazil at the end of December were 10% higher than mid November. In part that's also due to seasonal improvement in demand for year end holiday parties and extra pay. Early estimates put cattle slaughter in Brazil for November up 16% compared to last year and up 16% in the last four months. Beef export shipments in November were 26% higher than a year ago. The increase was far higher than we expected and we have had to significantly alter our forecast for the year, which was expected to be down 4%. We currently think Brazilian beef exports for all of 2023 will be about 2% lower than last year. Shipments to China in November were 110,667 MT, 18% higher than a year ago. Through November, Brazilian beef exports to China were 1.079 million MT, 5% lower than a year ago. The decline is largely due to lower exports in the spring and summer. Exports to the US market in November were 11,877 MT, 5% higher than a year ago. Brazilian exports to the US continue to be limited by the steep tax on out of quota product. Our guess is that the quota for 2024 will be filled by the end of Q1. Exports to smaller markets were robust as well, up 49% in November and 10% for the year.

**Argentina:** There is plenty of uncertainty about Argentine beef exports in 2024 due to the potential for improved moisture conditions and changes to government policy. Current forecasts are for slaughter/production to be down following the sharp increase in 2023. USDA thinks that beef production in 2024 will be down 3%, a very safe forecast and in our view likely to be down even more. As for exports, USDA thinks that exports will be higher, currently forecast up 7% y/y. The weak Peso continues to negatively impact the purchasing power of Argentine consumers, resulting in more high value protein going to export markets willing to pay for it.

Total exports of fresh/frozen beef in November were reported at 57,540 MT, just a little over the volume exported a year ago. Exports to China, the top market, remain stable at 47,447 MT, 3% higher than a year ago. Through November exports to China were 485,553 MT, 6% higher than a year ago and accounting for over 78% of total exports. Given the weak currency, Argentina remains at the top of the list for Chinese buyers. Exports to the US remain limited by quota. Shipments in November were 1,354 MT, about the same as a year ago. Through November Argentine beef exports were 619,316 MT (shipped weight basis), 5% higher than a year ago and consistent with our forecast for exports in all of 2023.

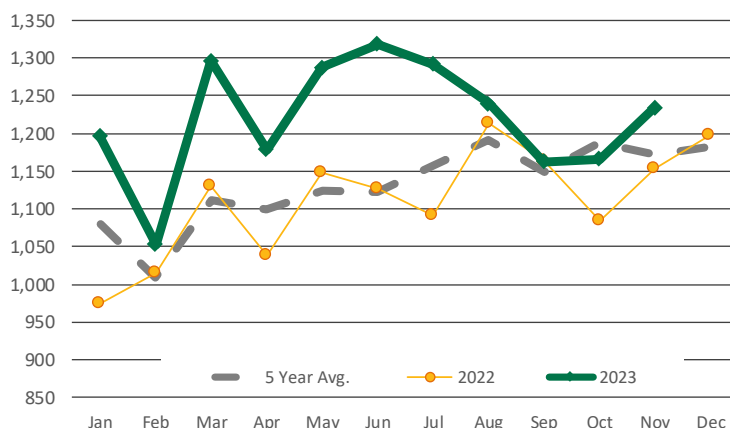
### YTD Brazil Beef Fr/Frz Beef Exports. Metric Ton

Source: COMEX. Jan - Nov



### Monthly Argentina Cattle Slaughter, Total Slaughter. '000 Head

Source: MAGYP. Analysis by Steiner Consulting



**Uruguay:** If cattle slaughter last fall (Southern Hemisphere) was below normal levels, slaughter this spring has been trending well above expectations and by some estimates it could be record large. Cattle availability has significantly improved, reflected in the price of steers and cows coming to market although this may start to change as moisture conditions have improved. Cattle slaughter in the four weeks ending November 25 averaged around 56k head/week, 28% higher than a year ago and 17% higher than the five year average. Steer slaughter during this period averaged 27,700 head/week, 16% higher than last year and 19% higher than the five year average. Cow slaughter at 20,500 head/week was 62% higher than last year and 13% higher than the five year average.

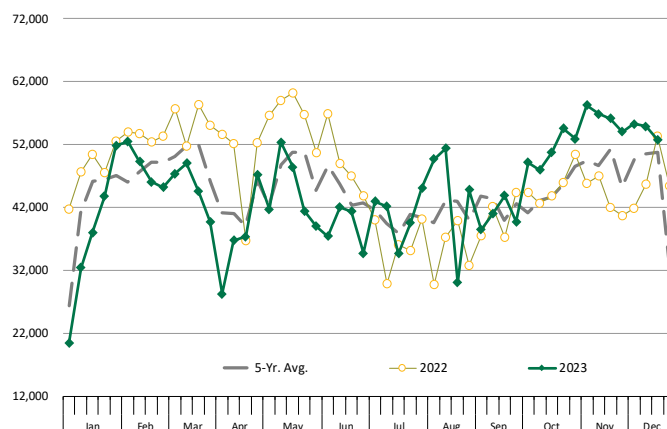


## South America (continued)

October exports reflect the high rate of slaughter during that month and we expect that November shipments were even higher. Total exports of fresh/frozen beef in October were 32,832 MT, 11% higher than a year ago. It is telling that despite the increase shipments to China, by far the largest market, were down 1% vs. year ago. More beef went to EU to fill the 481 quota and Uruguay also shipped more product to the US market. Exports to the US in October were 5,203 MT, 30% higher than a year ago. Through October shipments to the US were 41,502 MT, up 22% vs. year ago.

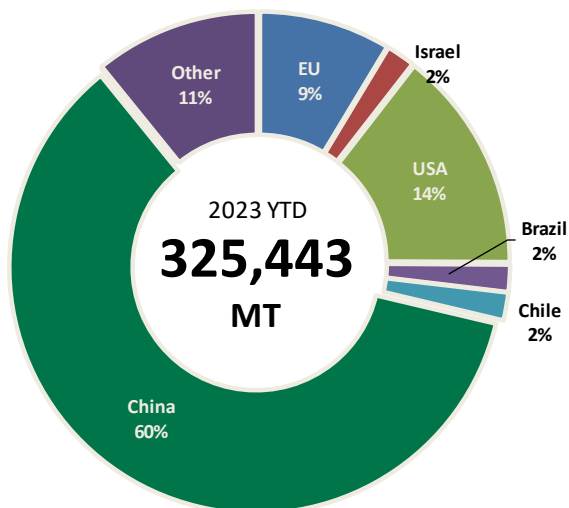
### Uruguay Cattle Slaughter, Total

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

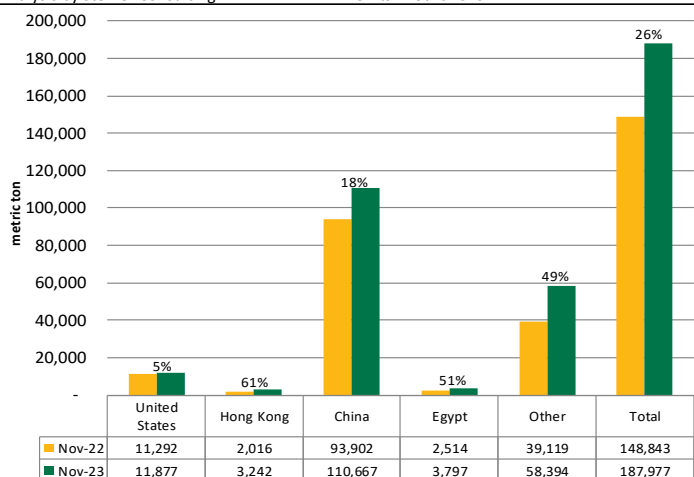


## South America Trade Statistics

### Brazilian Fresh/Frozen Beef Exports in November 2023 vs. November 2022

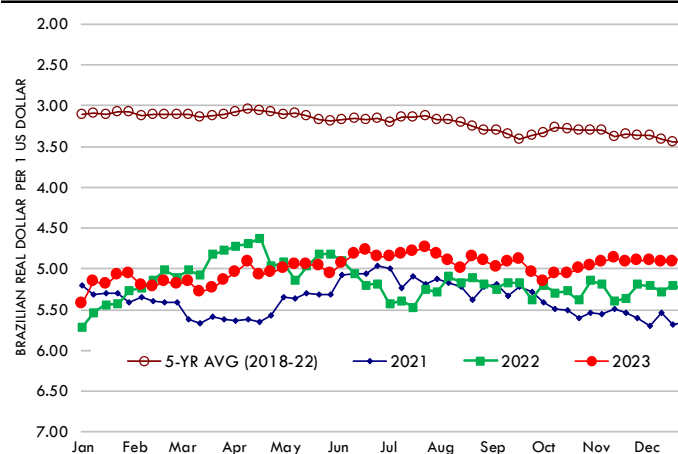
Analysis by Steiner Consulting

Units: Metric Tons



### Brazilian Real Per 1 US Dollar

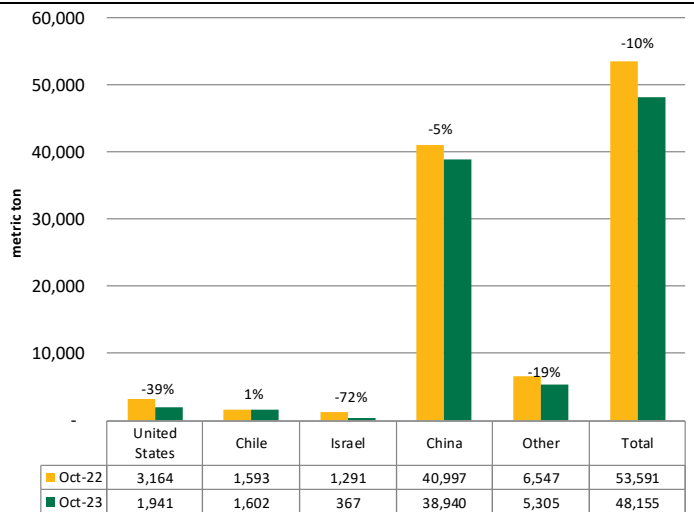
Y/Y Comparison of Weekly Exchange Rate



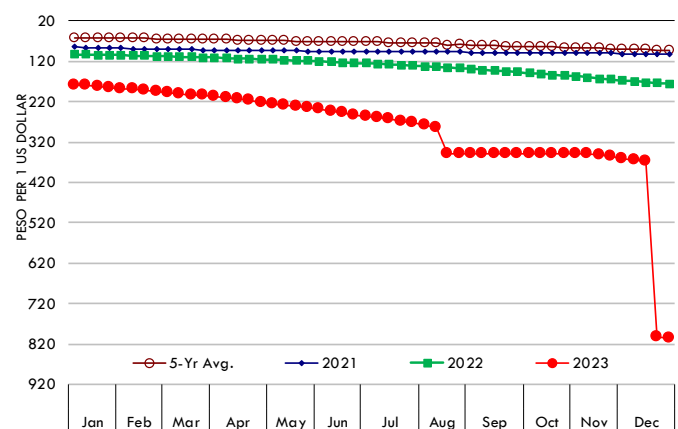
### Argentina Fresh/Frozen Beef Exports

Latest Data for October

Units: Metric Tons



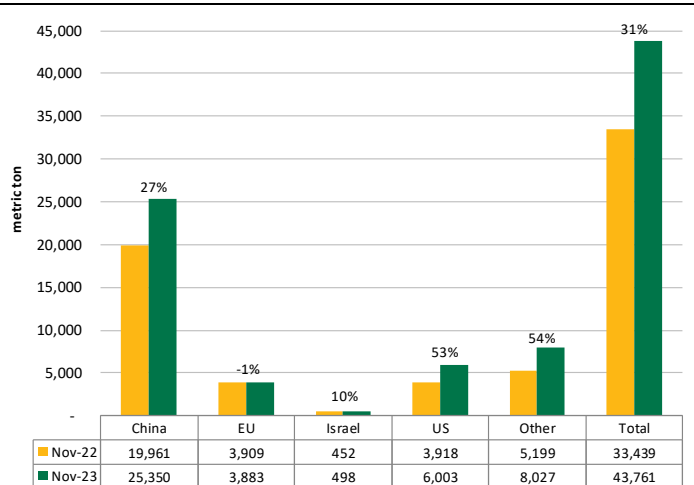
### Argentine Peso Per 1 US Dollar



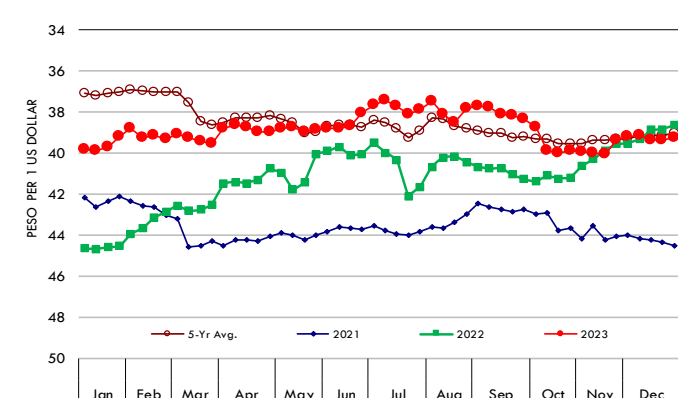
### Uruguayan Fresh/Frozen Beef Exports

Latest Data is for November 2023

Units: Metric Tons



### Uruguay Peso Per 1 US Dollar

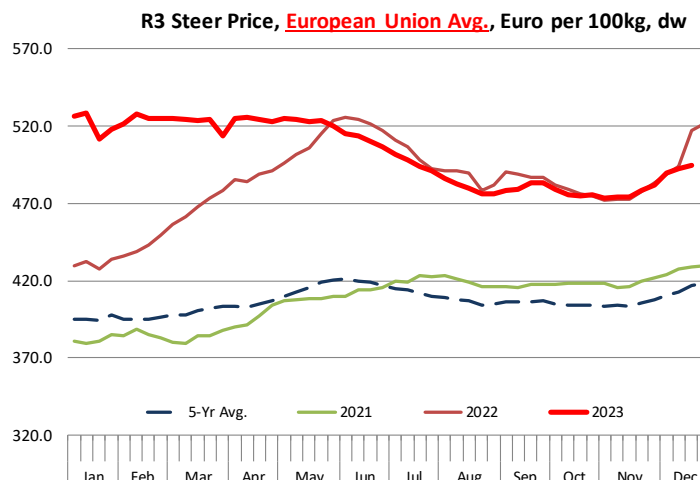


## Asia / EU Market Update

**European Union:** Seasonally cow slaughter in Ireland peaks in early December and that was again the case this time around. If anything, poor returns and environmental policy has resulted in more dairy cows going to market ahead of winter. In the four weeks ending December 31 cow slaughter in Ireland averaged about 9,125 head/week, 10% higher than a year ago. Since September 1, cow slaughter in Ireland has increased by almost 12k head (+8%) vs. the same period a year ago. A larger dairy herd and deteriorating profitability have been driving the increase. Mid year estimates of the Irish dairy herd put it at 1.647 million head, up 19k head vs. the same time the previous year. The total cow herd at mid year, however, was 2.519 million head, down 22k head from a year ago. The smaller beef cow herd plus the recent increase in dairy cow slaughter sets the stage for an even bigger y/y decline in the Irish cow inventory to start 2024.

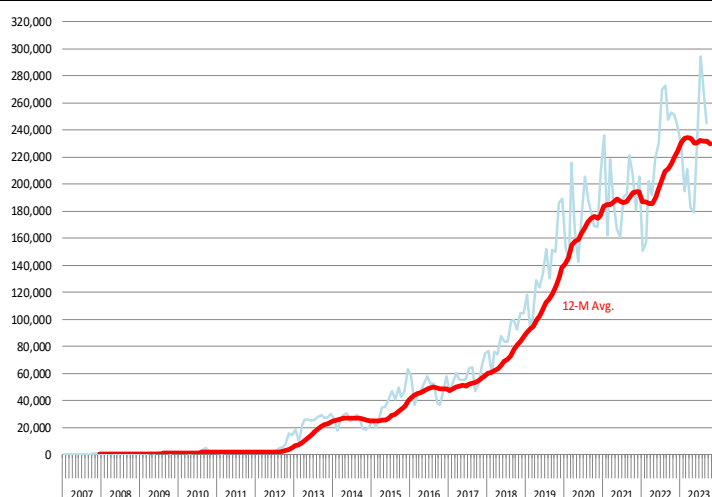
Overall cattle slaughter in Ireland in the last four weeks has averaged 32,167 head/week, up 7.1% compared to a year ago. While the higher cow slaughter contributed to the increase, we saw higher slaughter numbers across other categories as well. Heifer slaughter during the four week reference period was 11% higher than a year ago and steer slaughter was up 5.4%. Cattle prices have been slowly moving higher but they remain well below year ago levels. The average R3 steer price in Ireland was last quoted at 489 euro per 100kg, 5% lower than a year ago. The average price in the EU for R3 steers was quoted at 495 euro, 4.4% lower than last year. Cow prices have declined more significantly. The average price of O3 cows in Ireland was quoted at 396 euro per 100kg, 10% lower than a year ago. This compares to 378 average in the EU, also down 10% y/y.

**China:** Chinese beef imports for November were down 6% y/y. Imports from Australia continue to rebound following a poor 2022. Australian Imports were up 18% y/y in November, YTD imports from Australia are now up 26%. USDA currently expects beef imports to increase by 2.2% following a 14.1% increase in 2023. We think that USDA is overstating the increase in Chinese domestic production and therefore understating demand for imported beef. The Chinese economy is still recovering following COVID lockdowns, and we should see improved beef demand the rest of the year from China. As a result our current forecast is for Chinese beef imports to increase 3.3% in 2023. Chinese beef imports through November are up 2.0% y/y, with 42.3% of total imports coming from Brazil. 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%



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

Data Source: China Customs Administration. Analysis by Steiner Consulting



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

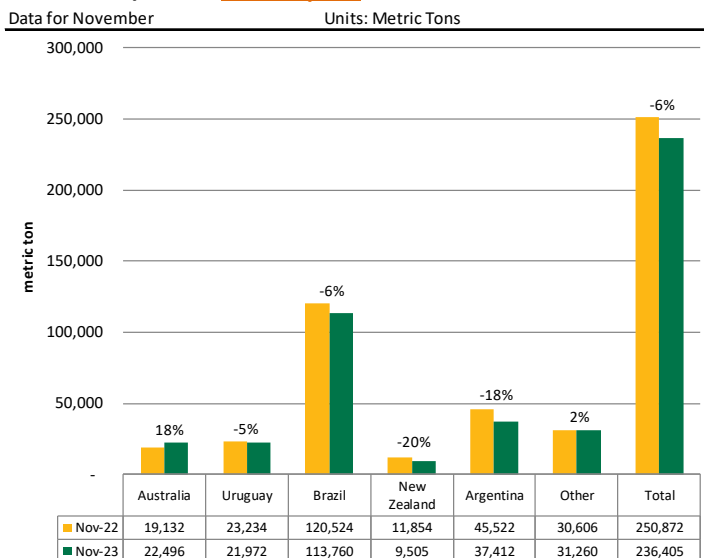
**Japan:** Total cattle slaughter in October was estimated at 96,554 head, up 4.7% from the previous year. Domestic slaughter has been consistently higher this year and combined with higher imports earlier in the year it has resulted in a backlog of product. Through October, total cattle slaughter in Japan was 897,380 head, 2.3% higher than a year ago. The



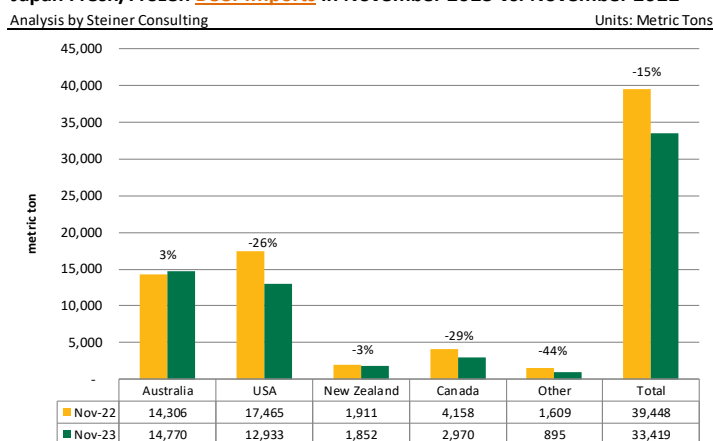
## Asia / EU Trade Statistics

trend in beef imports has been mixed but trending lower. October beef imports were down for the fifth straight month declining by 15% y/y. YTD imports are now down 10% y/y. Declines were broad based with the exception of Australia, 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 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 October 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.

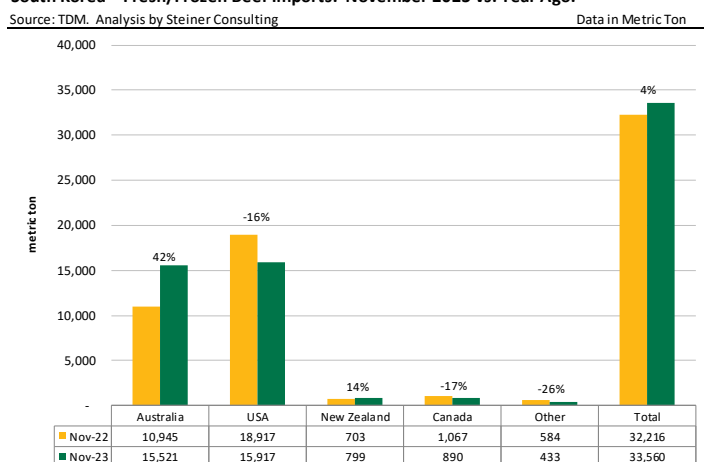
### China Fresh/Frozen Beef Imports



### Japan Fresh/Frozen Beef Imports in November 2023 vs. November 2022



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



## Oceania Update

**New Zealand:** New Zealand slaughter during the four November weeks was 233,592 head, 4,470 head (2%) higher than a year ago. Cow slaughter during this period was 37,592 head, down 1,510 head (-4%) compared to a year ago. Bull slaughter at 60,428 head was 1,507 head (-2%) lower than a year ago. The reduction in bull/cow slaughter was offset in part by more steers/heifers coming to market. Cattle slaughter should continue to move steadily higher in the first quarter of the year, with bull slaughter expected to peak in mid January.

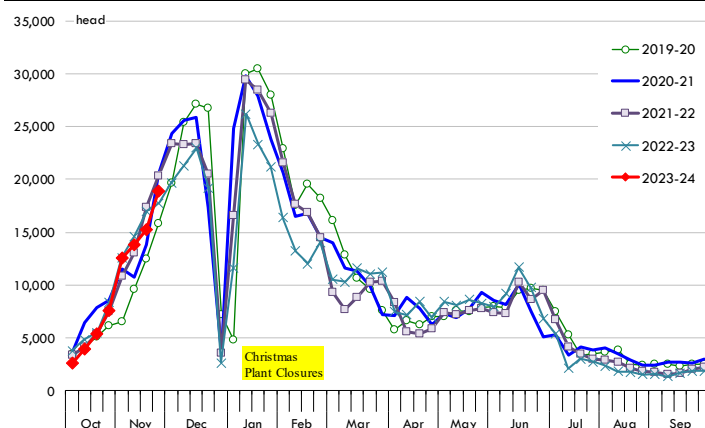
Despite the decline in slaughter, New Zealand exports were higher in November, reflecting higher shipments to the US market. Total exports of fresh/frozen beef were 41,834 MT, up 6k MT (+17%) compared to a year ago. Shipments to the US were 14,537 MT, up 85% from the limited volume shipped last year but still less than exports to China at 17,279 MT.

**Australia:** Feeder cattle prices in Australia have rebounded a bit but they remain significantly below the peak registered in 2022. According to MLA data, the EYCI index at the end of 2023 was priced at \$550 Australian Dollars per 100kg, up from a low of \$351 in late October. Rainfall in parts of Australia provided a bit of a respite following significant drought conditions earlier in the year. However, producers remain extremely concerned about drought prospects and the need to send cattle to slaughter in 2024. As feared, El Nino has caused significant damage and the situation could get worse in the coming months. A survey of Australian producers by Rabobank noted that some 55% of respondents expect conditions to worsen in the next 12 months.

Australian export data for December will be issued in early January as government offices are closed during the holiday period. November shipments were once again robust at 93,802 MT, 35% higher than a year ago. US market was once again the top market for Australian beef, taking 19,539 MT in November, double the volume that was shipped in 2022. It should be noted that this number is likely understated as exports with quota for 2024 not recorded in the November statistics. This is something that happens every year and tends to skew the November figures. We expect December shipments will be close to 28k MT. Shipments to Japan in November were 17,857 MT, 3% higher than a year ago. The Japanese market was the only market that registered a decline in 2023. Through November shipments to Japan were down 5% while all other markets registered double digit increases. Exports to China in November were 16,206 MT, 20% higher than a year ago. Through November shipments to China were 187,792 MT, 29% higher than a year ago and about the same level as what has been shipped to Japan so far and higher than S. Ko-

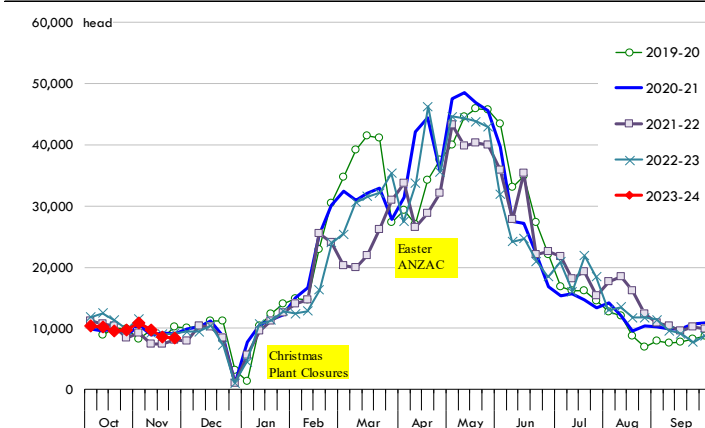
### New Zealand Weekly Bull Slaughter

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



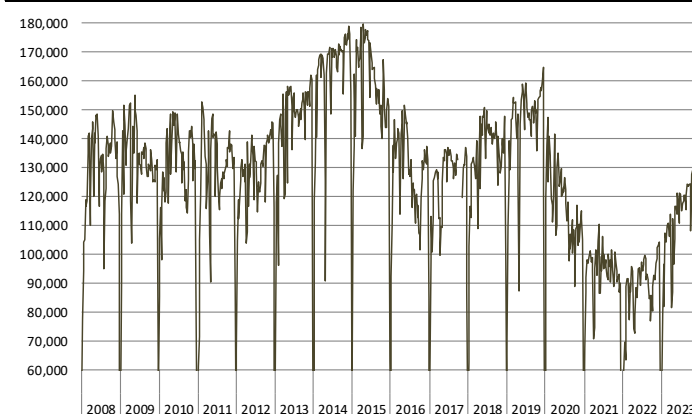
### New Zealand Weekly Cow Slaughter

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



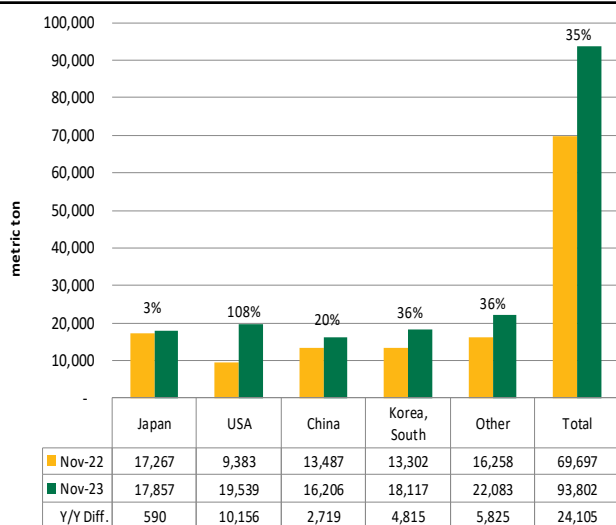
rea. China will likely be the second biggest market for Australia in 2024

## Oceania Statistics

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

Latest Data for November

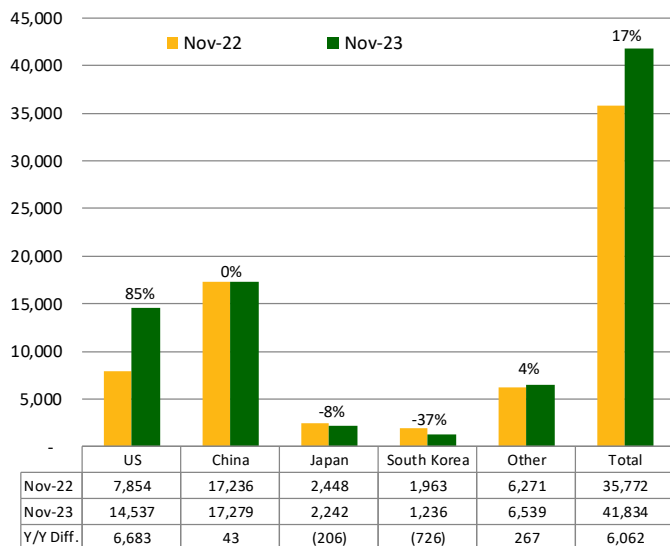
Units: Metric Tons



### New Zealand Fresh/Frozen Beef Exports in November

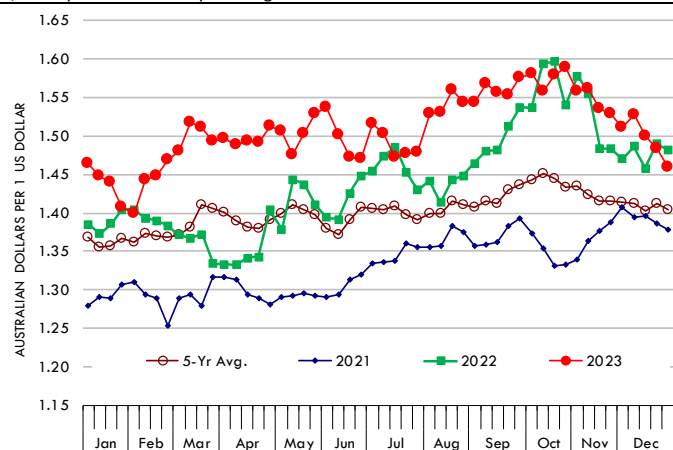
Source: Statistics NZ

Units: Metric Tons



### 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

