



# Global Beef Market Monthly Review

June 6, 2024

Volume 6, Issue 5

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:** Chinese imports have been stronger than expected through the first four months and we have raised our target for imports this year to +4.5%. Higher imports from Brazil and Argentina expected. US imports expected to decline, with more volume shifting to Australia.

**Japan:** Japanese beef imports were down 7% in April, and they are now down 4% 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 April were down 7% higher imports from Australia were offset by double digit decline in imports from US and New Zealand. Year to date imports are down 2% and expected to be only marginally higher for the year.

**USA:** US imports were upgraded further given the pace of imports from Australia as well as New Zealand and Uruguay. Current forecast is for imports to be up 161k MT (+13.5%). Brazil imports will be limited through the end of the year.

**Brazil:** Exports to China have been explosive and April shipments surpassed 208k MT, with half of that volume going to the Chinese market. Even as growth returns to last year's levels, forecasts are now for total exports to be up 11%, with China the main growth driver.

**Argentina:** Slaughter continues to run well below year ago levels and yet exports in April were up 10% and up 21% year to date. The weak peso continues to drive export demand, particularly to China.

**Australia:** Forecast for Australian beef exports has been revised higher given the pace of slaughter and exports. April shipments at 105k MT were up 46% from a year ago. Exports to the US market to reach 350k MT in 2024, 42% higher than a year ago and we may be too conservative in our forecast.

## 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.	
<b>EXPORTS</b>					5,227,711	5,502,341	274,630	5.3%	
Australia	11%	Mar 2024	106,573	7,595	8%	1,082,405	1,196,058	113,653	10.5%
Argentina	6%	Apr 2024	58,316	5,159	10%	683,397	729,868	46,471	6.8%
New Zealand	6%	Apr 2024	45,174	-1,558	-3%	497,609	521,887	24,278	4.9%
Brazil	20%	Apr 2024	208,053	97,713	89%	1,996,585	2,146,812	150,227	7.5%
USA	14%	Apr 2024	82,257	-3,519	-4%	967,714	907,716	-59,998	-6.2%
<b>IMPORTS</b>					5,005,310	5,200,436	195,127	3.9%	
USA	15%	Apr 2024	105,285	12,293	13%	1,194,175	1,295,680	101,505	8.5%
China	30%	Apr 2024	224,401	41,853	23%	2,736,186	2,818,311	82,125	3.0%
Hong Kong	4%	Apr 2024	7,797	529	7%	96,565	98,980	2,414	2.5%
Japan	8%	Apr 2024	63,235	-4,679	-7%	503,964	507,488	3,524	0.7%
S. Korea	6%	Apr 2024	37,514	-2,947	-7%	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 latest USDA 'Cattle on Feed' report confirmed analysts' expectations of lower placements compared to last year, marking the lowest this year. Two additional marketing days in April impacted marketings but not placements. Placements were down across all weight groups, with a notable drop in cattle under 700 pounds. Specifically, cattle under 600 pounds decreased by 25,000 head (7%), and those in the 600-699 pound range also fell by 25,000 head (10%).

The reason for the reduction in placements, possibly fewer heifers on feed, remains unclear and is crucial for future supply expectations. Placements were down 102k head from last year, despite a 50k head increase in feeder cattle imports, mostly from Mexico, indicating significant limitations by domestic producers.

As of May 1, cattle with over 120 days on feed numbered 4.715 million, down from 4.95 million last month but 5.5% higher than last year. This higher supply of long-fed cattle is expected to maintain availability through the summer, leading feedlots to maximize weight on existing cattle due to the lack of replacements.

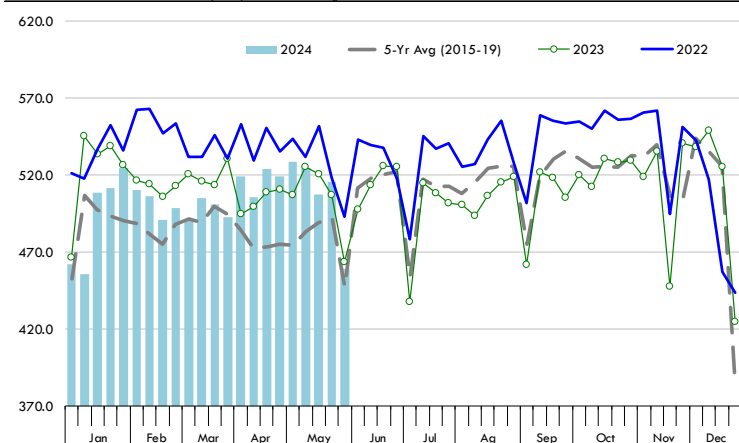
US cow meat availability has gone from bad to worse. Official slaughter statistics are reported with a two week lag but they show what many in the market feared, supply is only getting tighter. In the four weeks ending May 18, dairy cow slaughter was 197,244 head, almost 30 head (-13%) lower than a year ago. Beef cow slaughter during this period was 220,646 head, down 54k head (-20%) from a year ago. The shortfall in supply during late April and first three weeks of May has only gotten worse, compounded by the holiday shortened week. The result is another record high for 90CL boneless beef, trading as high as \$357/cwt last week.

**Mexico:** Mexican beef production in April was estimated at 178,294 MT, 2.3% higher than a year ago. Production to start the year has been quite consistent but, if seasonal trends are a guide, we should see volume increase in May and then surpass 190k MT this summer. Year to date production is up 2% from a year ago and consistent with USDA forecasts for supply this year.

Production in key states continues to track in line with expectations. Beef production in Durango was up 2.1% y/y, Veracruz up 2.7% and Jalisco up 1.6%. These three states account for about a third of overall beef production in Mexico. As USDA noted in its semi annual 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

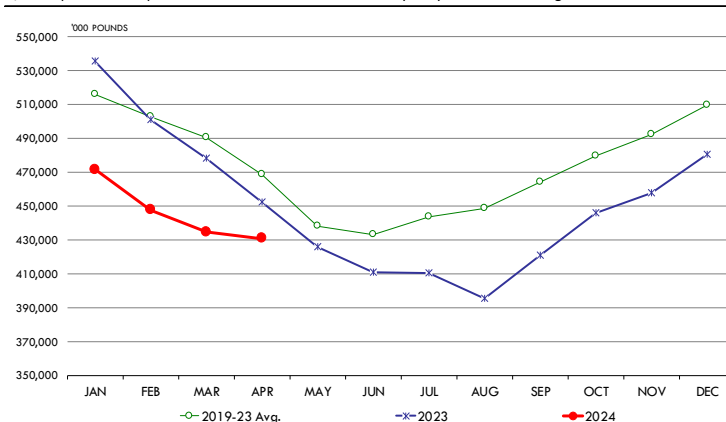
Weekly US Beef Production. Million Pounds. Carcass Wt. Basis

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



but the government has walked some 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 exports of feeder cattle to the US market in April were sharply higher than a year ago, a function of tight supplies in the US and higher prices. In the four weeks ending April 27 US imports of Mexican feeder cattle were 136,548 head, almost 48k head (+54%) higher than a year ago.

**Canada:** Cow slaughter in Canada has been trending lower since the start of the year and we don't expect much of an improvement in the next three months. In the four weeks ending May 18 slaughter was slightly under 29k head, 9% lower

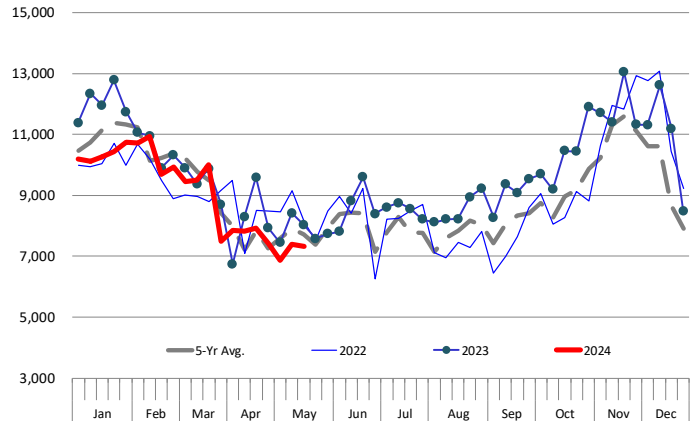
## North America (continued)

than the same period a year ago and 5% lower than the five year average. Fed cattle slaughter, on the other hand, has been hovering near the same level as a year ago. During the reference period, steer and heifer slaughter was 194,144 head, 1.4% lower than last year and almost the same as the five year average.

Fed cattle slaughter is likely to trend lower given the inventory of cattle on feed. The supply of cattle on feed in Alberta and Saskatchewan feedlots as of May 1 was 950,388 head, 1.6% lower than a year ago and 7% lower than the five year average. April placements were higher than expected at 118,500 head, 22% higher than last year while fed cattle marketings increased 11%. Seasonally placements decline in the summer while marketings increase, resulting in a net decline in total feedlot numbers. It remains to be seen how the current strike of workers in the Cargill plant in Guelph impacts supply. This is one of the largest plants in Canada and has the potential to significantly limit supply if the strike continues.

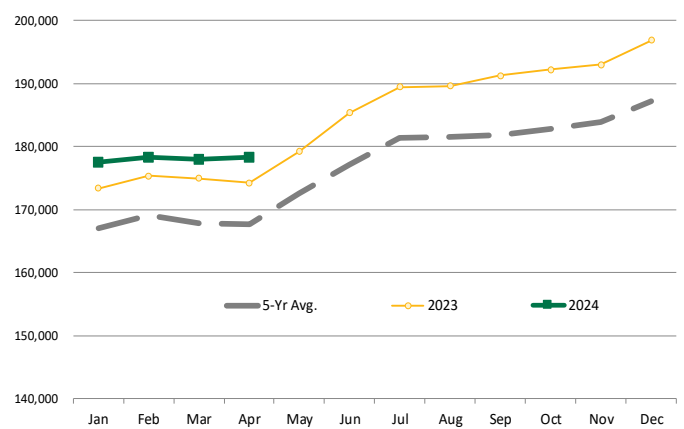
The shortfall in lean beef production and higher supply availability in Australia has bolstered Canadian beef imports. Through the end of May, imports from Australia were up 151%. But, total imports of 10,606 MT are still far short of the available quota of 35,000 MT.

Canada Weekly Cow Slaughter, head

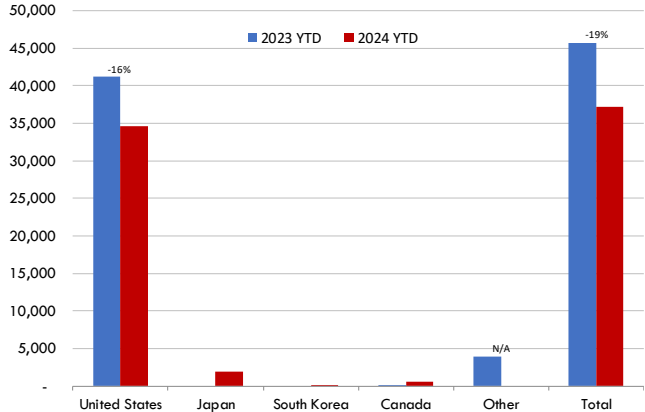


Mexico Beef Production

Source: SAGARPA



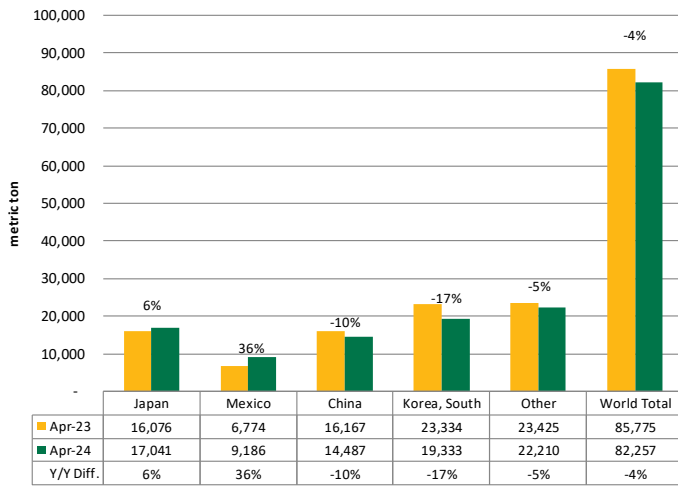
Mexican Fresh, Chilled & Frozen Beef Exports  
Year-to-Date, 2024 vs 2023



## North America Trade Statistics

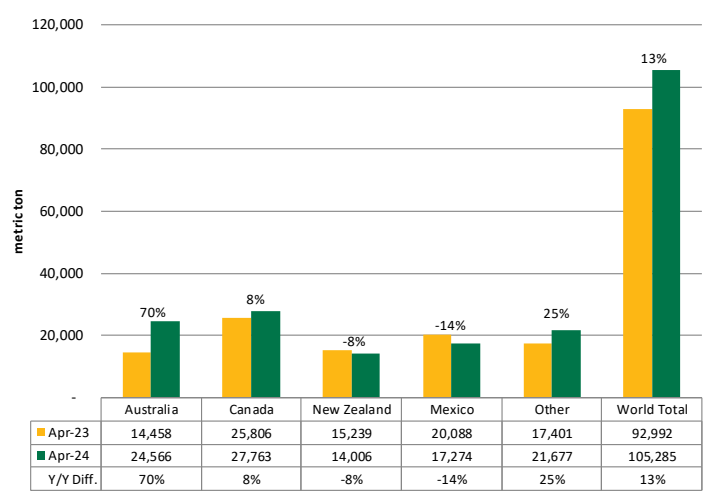
### USA Fresh/Frozen Beef Exports

Latest Data for April Units: Metric Tons



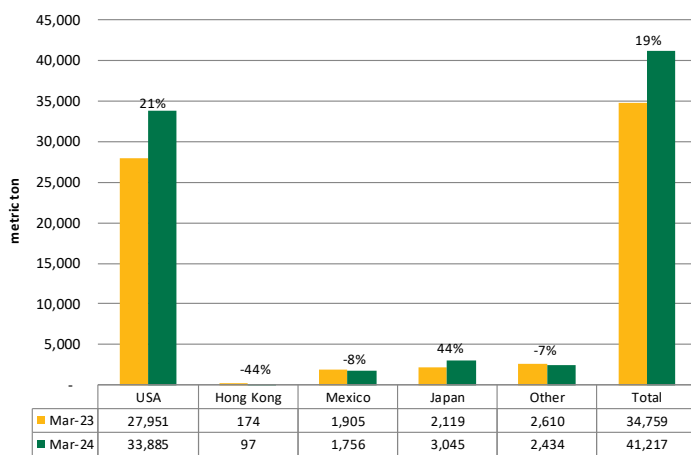
### USA Fresh/Frozen Beef Imports

Latest Data for April Units: Metric Tons



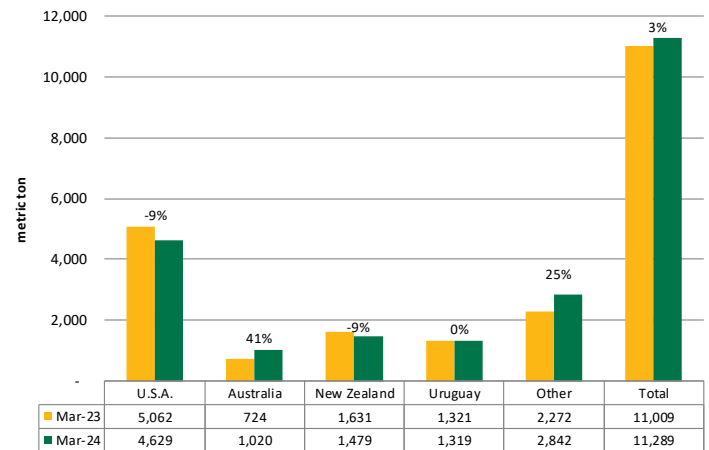
### Canada Fresh/Frozen Beef Exports

Latest Data for March Units: Metric Tons



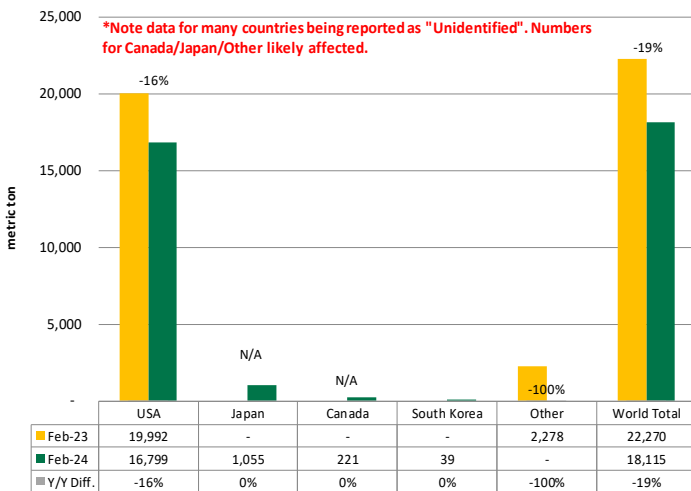
### Canada Fresh/Frozen Beef Imports

Latest Data for March Units: Metric Tons



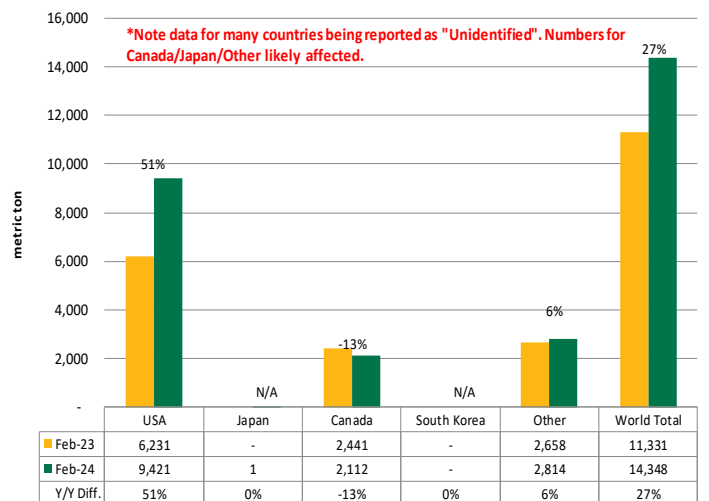
### Mexico Fresh/Frozen Beef Exports

Latest Data for February Units: Metric Tons



### Mexico Fresh/Frozen Beef Imports

Latest Data for February Units: Metric Tons



## South America Market Update

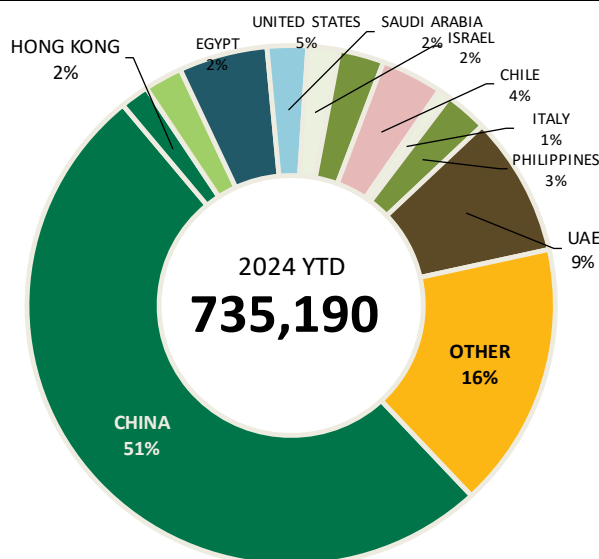
**Brazil:** Last year Brazilian beef exports in Feb/Mar/Apr were limited due to BSE related suspension of trade with China. This skewed the y/y comparisons in February and March. But April export shipments were a blowout regardless of how low volume was last year. Total exports of fresh/frozen beef exports surpassed 208k MT, matching the record volume shipped in December of 2023. But different from last December, exports were higher despite a modest volume exported to the US market. China remains the top market for Brazilian beef, taking 101k MT in April, a 149% increase from the limited volume exported last year. Through April, Brazilian beef exports were up 109k MT (+41%) compared to a year ago. Other markets have contributed to the increase in Brazilian beef exports this year. Shipments to the United Arab Emirates in April were 22,071 MT, 15k MT more than a year ago. UAE was the second largest market for Brazilian beef behind China. It used to be that buyers in the Middle East would bring product through Egypt. It appears that now it has become easier to bring product through UAE. Brazilian beef exports to Egypt in April were 3,752 MT compared to 9,378 MT in April of 2023. Exports to the US market in April were 4,550 MT, 46% lower than a year ago. There is talk of more Brazilian beef offered in the US but shipment data does not support that view.

**Argentina:** There has been a notable shift in pasture conditions in Argentina and this is clearly reflected in the slaughter figures to start the year. April slaughter was estimated at 1.072 million head, 9.1% lower than a year ago and 4% lower than the five year average. In the first four months of the year, slaughter is down 382k head (-8%) from a year ago. This is in line with the USDA forecasts for 2024, which pegged total slaughter down 1 million head (-6.9%) y/y.

The weakness of the Argentine Peso has continued to push more product in export markets even as slaughter remains well below year ago levels. April shipments of fresh/frozen beef were 58,316 MT, 10% higher than a year ago. In the first four months of the year, Argentine beef exports were up 43,465 MT (+21%) compared to a year ago. China remains the top market for Argentine beef, in large part thanks to its low prices relative to other markets in South America. In April China accounted for 78% of total exports. Through the first four months of the year, exports to China were near 198k MT, 21% higher than a year ago. Exports to the US are likely to be limited by the available quota although it appears that high prices have bolstered shipments. Through April, Argentine beef exports to the US were 8,439 MT, 30% higher than a year ago.

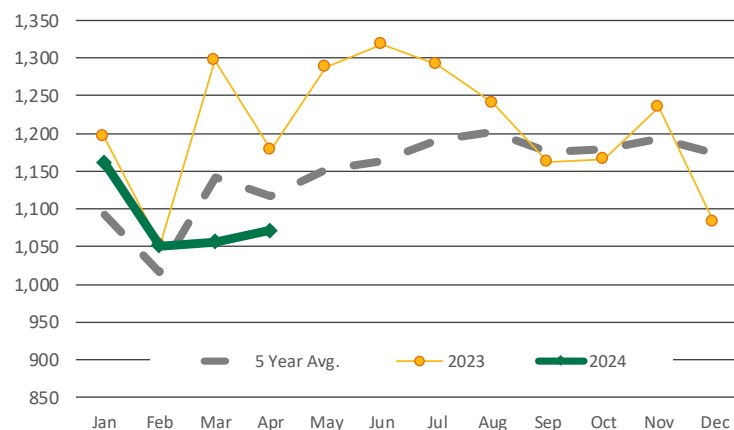
### YTD Brazil Beef Fr/Frz Beef Exports. Metric Ton

Source: COMEX. Jan - Apr



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

Source: MAGYP. Analysis by Steiner Consulting



**Uruguay:** Slaughter has followed the normal seasonal patterns for late April and May. In the four weeks ending May 18 slaughter averaged 47,542 head/week compared to sub 40k head per week in late March and early April. Current slaughter is 3.4% higher than the comparable four week period in 2023 but under the five year average. Cow slaughter during the reference period averaged 16,343 head/week, up 5.2% from last year but still 9.3% lower than the five year average.

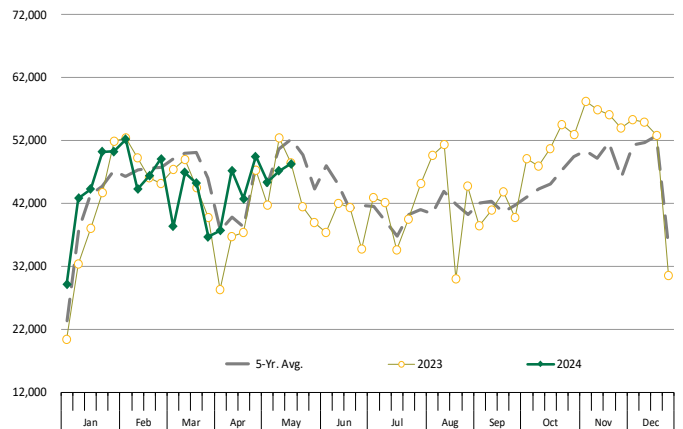
The increase in slaughter predictably bolstered the supply available for exports. This combined with the weak currency resulted in a 42% jump in exports during April. What is even more impressive is that Uruguayan beef exports were 42% even as exports to China declined. China remains

## South America (continued)

the top market for Uruguayan beef, taking 12,081 MT in April, 15% less than last year. In the first four months this year shipments to China were 56,159 MT, 20% less than a year ago. At one point China accounted for over 60% of Uruguayan beef exports. So far this year the share has dropped to 46%. High prices in the US market and the strong dollar have resulted in a significant increase despite the quota. In the first four months of the year, shipments to the US were 29,165 MT, double the amount shipped during the same time last year.

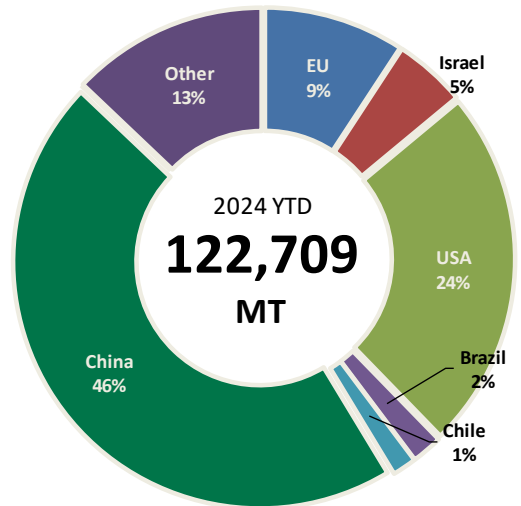
### Uruguay Cattle Slaughter, Total

Weekly Slaughter in Head. Source: World Beef Report



### YTD Uruguay Exports of Fresh/Frozen Beef. Top Markets

Source: World Beef Report. Analysis by Steiner Consulting



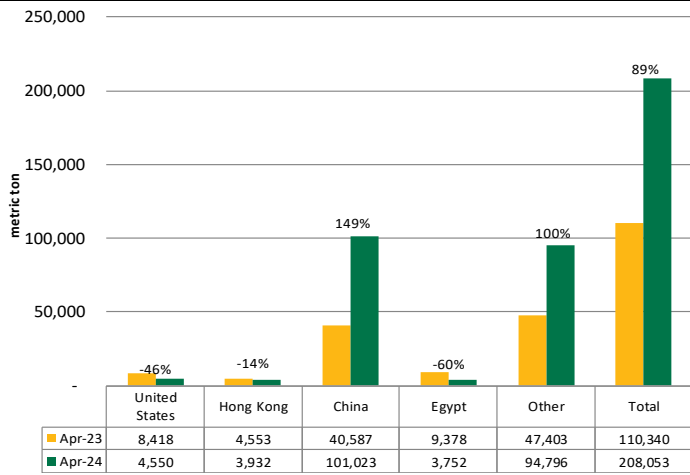


## South America Trade Statistics

### Brazilian Fresh/Frozen Beef Exports in April 2024 vs. April 2023

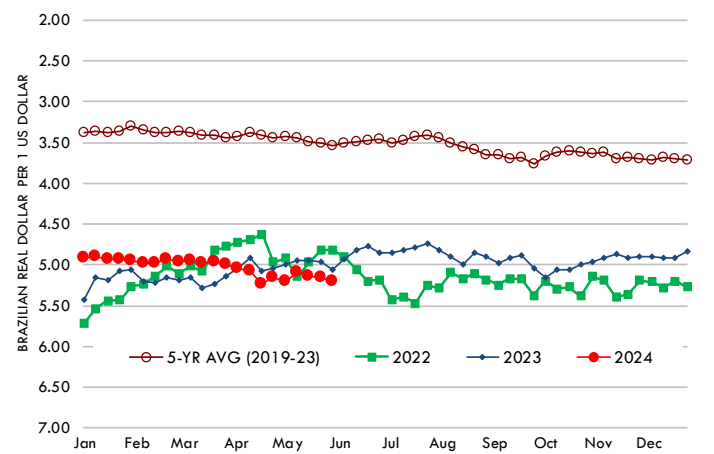
Analysis by Steiner Consulting

Units: Metric Tons



### Brazilian Real Per 1 US Dollar

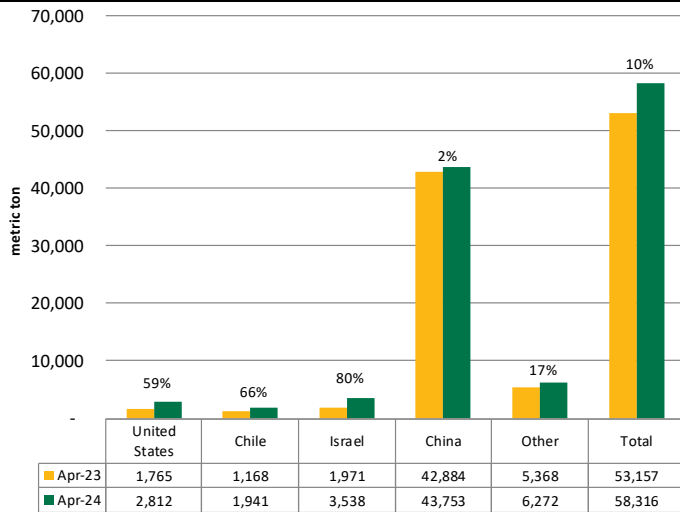
Y/Y Comparison of Weekly Exchange Rate



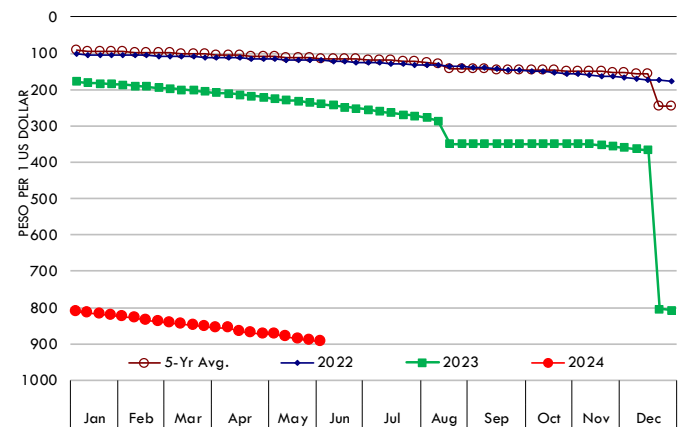
### Argentina Fresh/Frozen Beef Exports

Latest Data for April

Units: Metric Tons



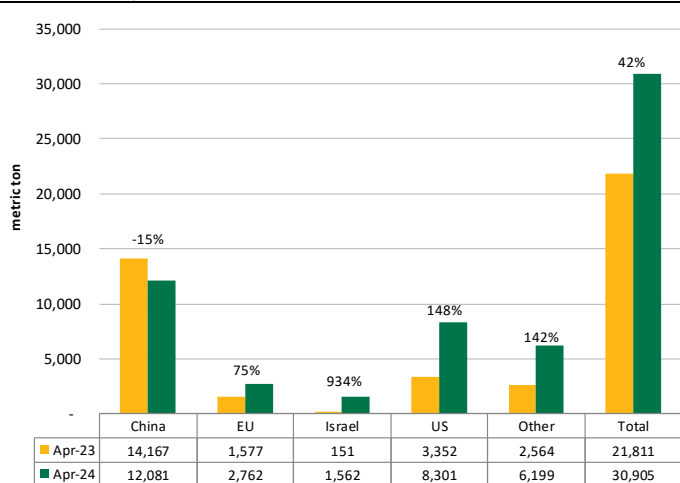
### Argentine Peso Per 1 US Dollar



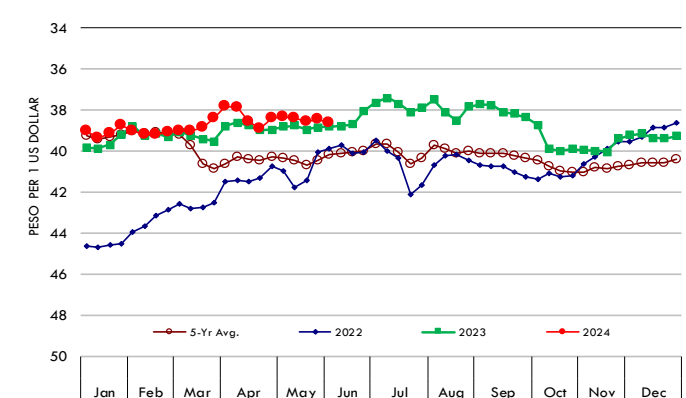
### Uruguayan Fresh/Frozen Beef Exports

Latest Data is for April 2024

Units: Metric Tons



### Uruguayan Peso Per 1 US Dollar



## Asia / EU Market Update

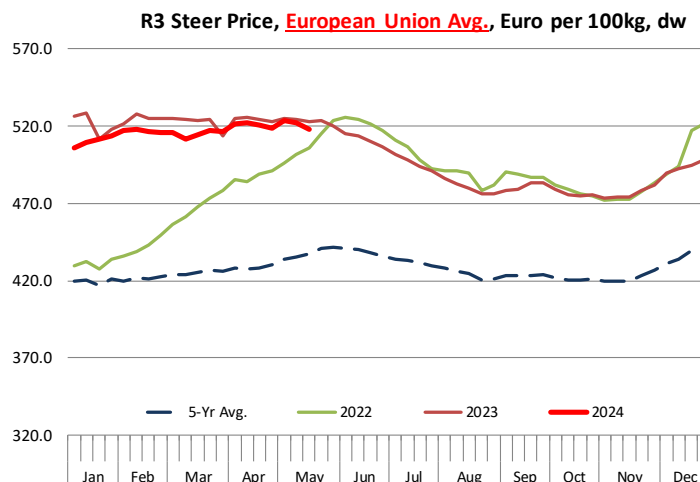
**European Union:** Following a higher slaughter pace in Q1, Irish production levels have settled on a more seasonal trend and are expected to be at or below year ago levels through the summer. We continue to see a higher female cattle culling rate, which should eventually result in a smaller cow herd. In the four weeks ending May 19 total cattle slaughter in Ireland was 128,785 head, near 2,700 head (+2.1%) higher than a year ago. Cow slaughter during this period was 29,295 head, 4.8% higher than a year ago while heifer slaughter at 37,078 head was up 3.4%. The combined total increase in cow/heifer slaughter accounted for much of the overall increase in the last four weeks. Since the start of the year, total cattle slaughter in Ireland is up 18,513 head (+2.7%). Combined cow/heifer slaughter since the start of the year is up by more than 28,000 head.

The decline in slaughter has brought with it some price stability. The last quote for R3 Irish steers pegged the value at 516 euro per 100 kg, close to the level paid two months ago and just 1.3% lower than a year ago. This is also very close to the EU average price for R3 steers. Cow prices have come down by more given the increase in the numbers offered for slaughter. The last quote pegged the value of O3 Irish cows at 422 euro per 100 kg, 4% lower than a year ago. This is below the average price for EU, where prices are down just 1% y/y.

The volume of Irish beef entering the US market is minimal now that the quota available has been filled. We don't expect much product to enter out of quota even with the current high US prices and strong US dollar.

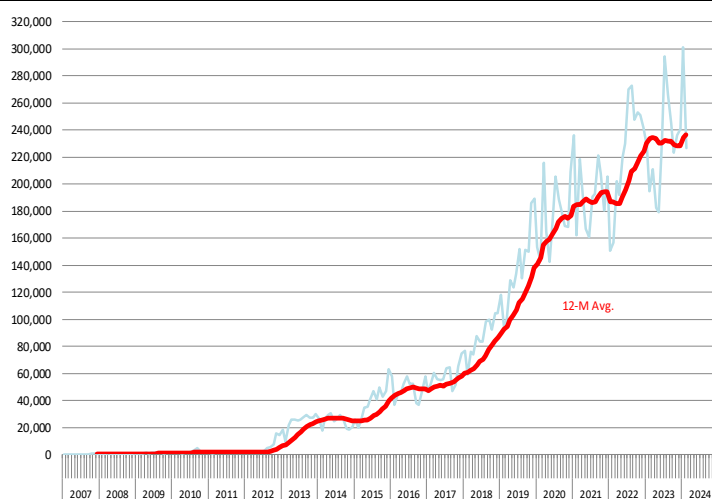
**China:** Chinese beef imports for April were up 23% y/y. Imports from Australia saw strong y/y growth up 12% in the month. Brazil import's continue to recover up 70% y/y. Brazil remains the top exporter to China making up 40% of all imports. The Chinese cattle herd on January 1, 2023 is projected at 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 March was estimated at 90,105 head, down 3.5% from the previous year the first monthly y/y decline in slaughter in 2024. Heavy slaughter combined with higher imports earlier in the year has resulted in



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

Data Source: China Customs Administration. Analysis by Steiner Consulting



a backlog of product. YTD slaughter in Japan is currently 1,041 head, or 0.4% lower than a year ago. The trend in beef imports has been mixed but drifting lower. April beef imports were down 7% y/y. YTD imports are now down 4% in 2024. Imports from Oceania continue to grow with New Zealand seeing a 31% y/y increase while imports from Australia were up 11% in April. 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.

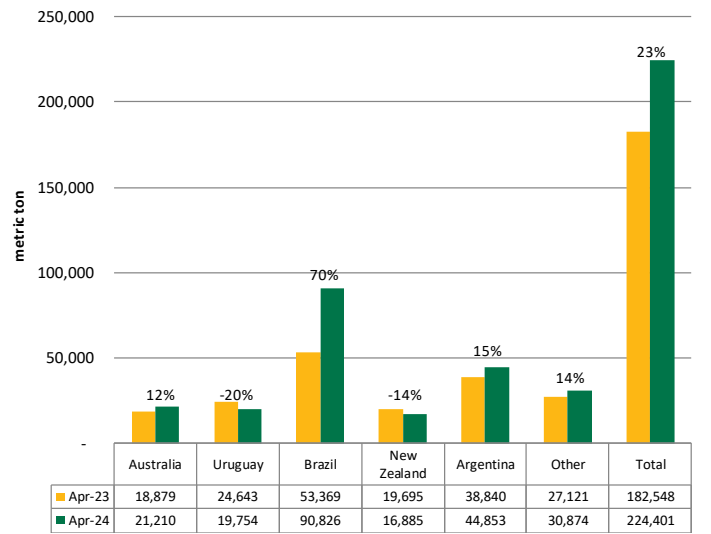


## Asia / EU Trade Statistics

### China Fresh/Frozen Beef Imports

Data for April

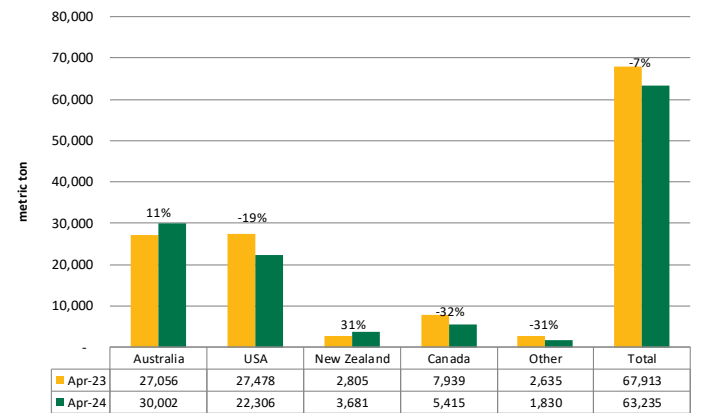
Units: Metric Tons



### Japan Fresh/Frozen Beef Imports in April 2024 vs. April 2023

Analysis by Steiner Consulting

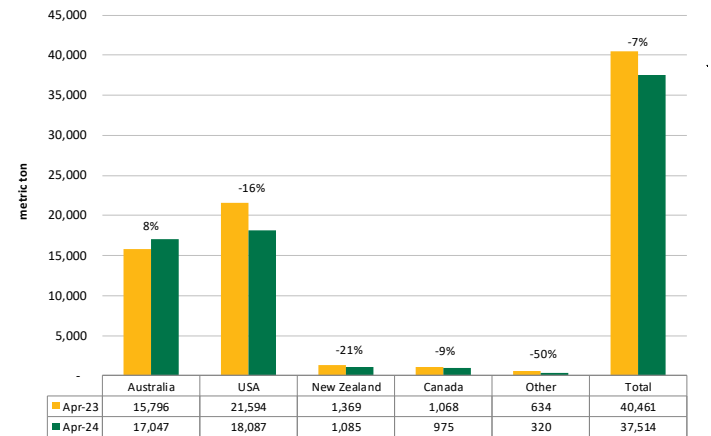
Units: Metric Tons



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

Source: TDM. Analysis by Steiner Consulting

Data in Metric Ton



## Oceania Update

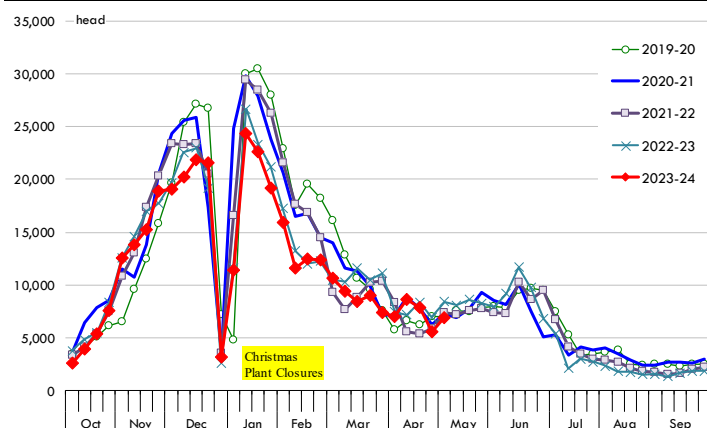
**New Zealand:** New Zealand cattle slaughter continues to follow the seasonal trend and, if history is a guide, it will start to move lower in June. Available statistics show that in the four weeks ending May 4 slaughter averaged near 76k head/week, 7% higher than the same period a year ago. Bull slaughter during this period averaged 7.2k head/week, 6% lower than a year ago. Seasonally bull slaughter moves higher into June, last year it was as high as 11,712 in the second week of that month but then declines under 2k head/week into the winter months. The big increase in slaughter during April, May and early June comes from more cows coming to market. Cow slaughter goes from 15% of slaughter in December and January to near 60% of slaughter in May. During the reference period, cow slaughter averaged near 42k head/week, 4% higher than a year ago.

**Australia:** Young cattle prices in Australia have held steady for the last three months, reflecting a somewhat more balanced market than last spring. Still, current prices are well below the highs from a couple of years ago, with more cattle in the pipeline for the next 12-18 months. Export demand remains key for Australian processors and the recent announcement that China would lift the ban on five processing plants was viewed as quite positive in that regard. It is somewhat curious that the decision came at a time when US decided to impose tariffs on Chinese electric vehicles. US exporters are concerned that China will retaliate and the recent ban of a JBS plant in the US due to finding of ractopamine may signal a shift away from US beef.

Australian cattle slaughter in May has been well above year ago levels, which in turn have fueled higher exports to a number of key markets. Slaughter in the Eastern States during the four weeks ending May 24 averaged 133,118 head/week, 18% higher than a year ago. Victoria has by far seen the biggest increase, with weekly slaughter in the last few weeks averaging 42% above last year's levels. Australian beef exports in April were 105,367 MT, 46% higher than a year ago. Our current projection is for exports in May to surpass 110k MT, a 20% increase from a year ago and consistent with the higher slaughter pace. Shipments to the US continue to lead all other markets. IN April exports to the US were 27,257 MT, 117% higher than the limited volume a year ago. Our current projection is for May exports to surpass 31k MT, a 72% increase from last year. China is an important market but in April shipments there were just under 15k MT, 11% lower than a year ago. May exports could be around 17-18k MT, still below last year's levels. New eligible plants could bolster that volume, especially if Chinese buyers limit purchases in the US. Exports to Japan in April were near 22k MT, 43% higher than a year ago. We expect May shipments to be near 26k MT.

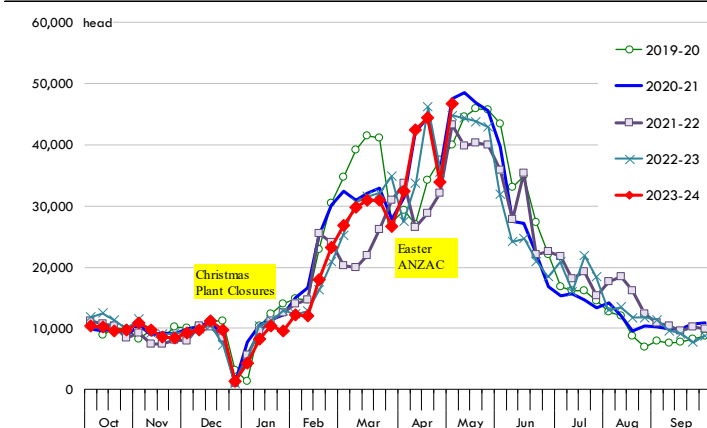
### New Zealand Weekly Bull Slaughter

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



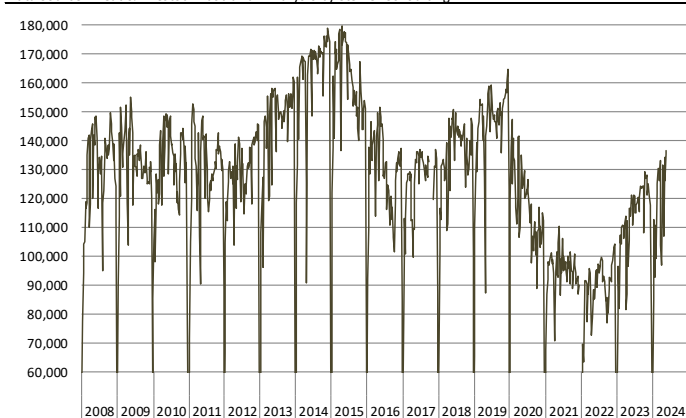
### New Zealand Weekly Cow Slaughter

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



### Australian Weekly Eastern State Cattle Slaughter: Source MLA

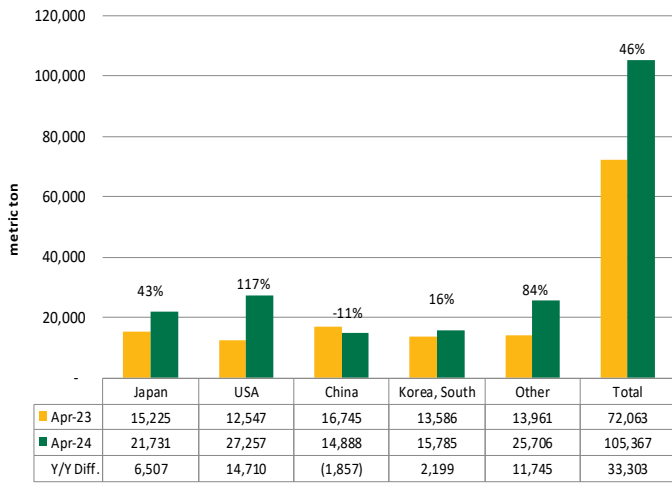
Data Source: Meat & Livestock Australia. Analysis by Steiner Consulting



## Oceania Statistics

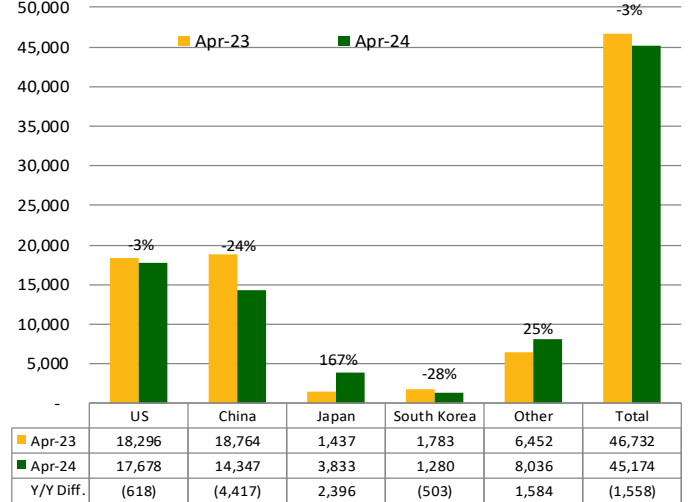
### Australia Fresh/Frozen Beef Exports In April 2024 vs. Year Ago

Latest Data for April Units: Metric Tons



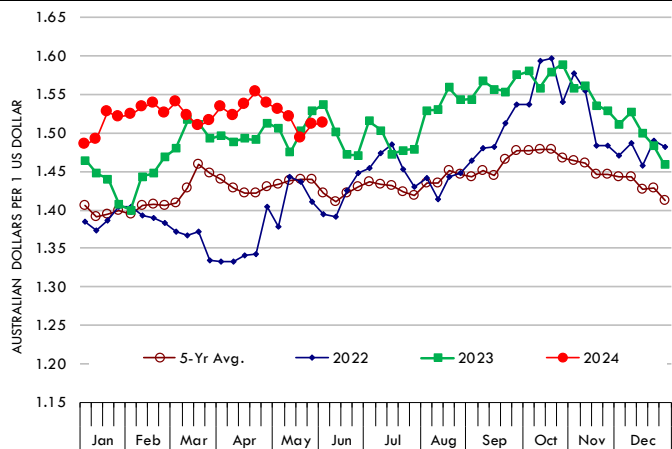
### New Zealand Fresh/Frozen Beef Exports in April. MT

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

