



# US Imported Beef Market

A Weekly Update

Prepared Exclusively for Meat & Livestock Australia - Sydney

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## Market Highlights for the Week:

- Fresh lean beef prices continue to hold firm as retailers look to cover needs going into Labor Day and cow slaughter remains well below year ago levels.
- Beef cow slaughter is now leading the way down, with slaughter for the week ending July 13 down by more than 20% y/y. Combined cow and bull slaughter last week estimated at 113k head, 14.4% lower than a year ago.
- Ratio of female cattle slaughter (cows+heifers) relative to total slaughter has been 47.7% since May, the lowest in several years but still not at the point signaling herd rebuilding is under way.
- Wholesale prices for ground beef destined for retail has been holding firm in June and July although prices were modestly lower at the end of last week. Last year prices held up well into August before moving seasonally lower in the fall.
- The supply of boneless beef (this is not just trim but also boneless cuts) at the end of June was estimated at 372.8 million pounds, 0.5% lower than a year ago and 6% lower than the five year average

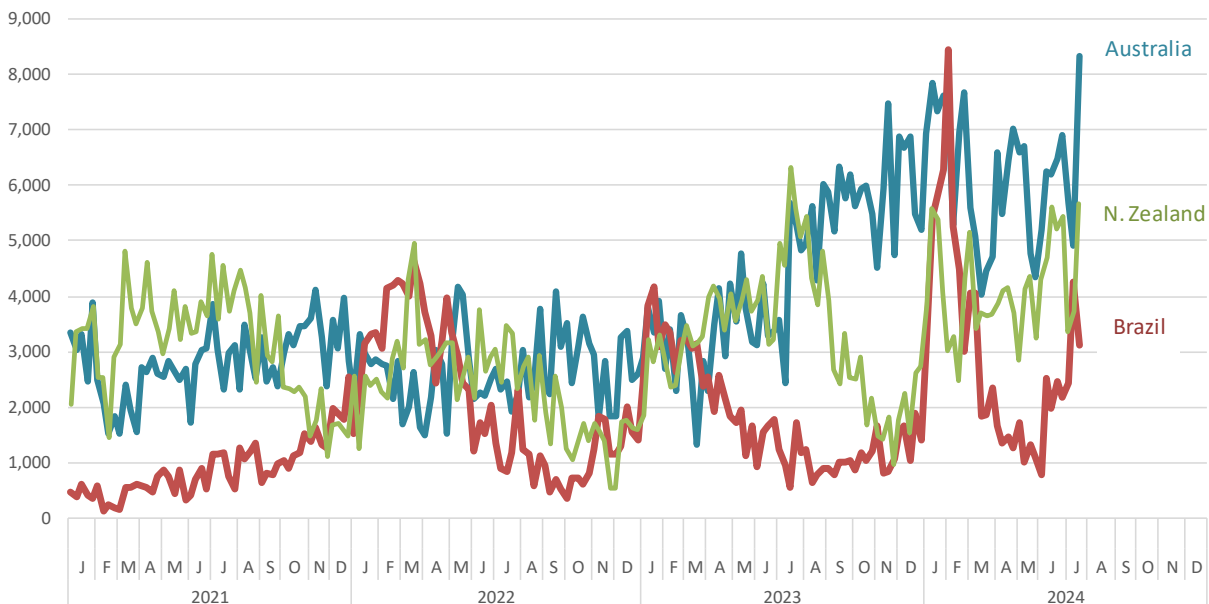
## Imported Market Activity for the Week

Imported beef prices continue to trade firm, with bull meat prices well supported given seasonal decline in supply at this time of year. Limited supply and firm prices for domestic fresh product continue to underpin other imported products but traded volume has been more limited than what we saw in late June and July. At this time buyers see little reason to chase the market higher. Imported

product is available and there seems to be a substantial volume heading in this direction. Imported volume for the latest week (see chart below and page 10) reflect the reality of higher lean frozen beef, with weekly imports from Australia surpassing 8k MT last week and New Zealand volume not far from record highs. Big shipments from Brazil in June are likely to keep weekly imports over 4k MT into early August. The price of imported round cuts generally steady for the week

## US Weekly Imports of Fresh/Frozen Beef from Brazil and Australia

Source: USDA-AMS. Analysis by Steiner Consulting



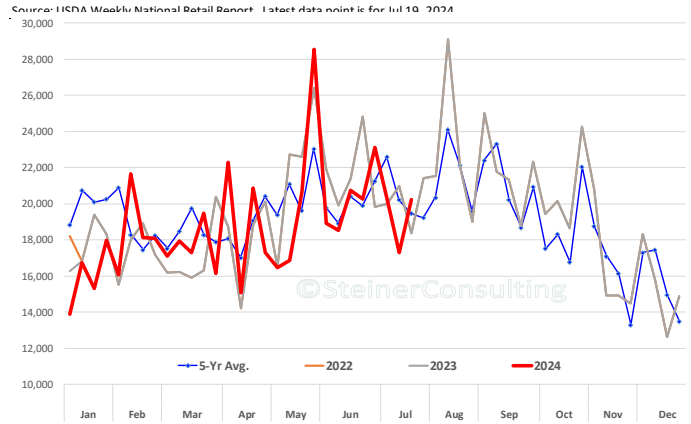
but with domestic product losing some ground (modestly lower prices for insides, flats, etc), buyers are taking a wait and see attitude. For instance, the value of choice flats (fed beef) was around \$360 a couple of weeks ago vs. \$330 currently. Some buyers claim product is getting done even below those levels for window that's outside USDA reporting requirements. Buyers concerned about the potential runup in price in the fall already have covered some needs. Given the seasonality of some of these products, they are not interested to extend too far into Q4.

Other market notes

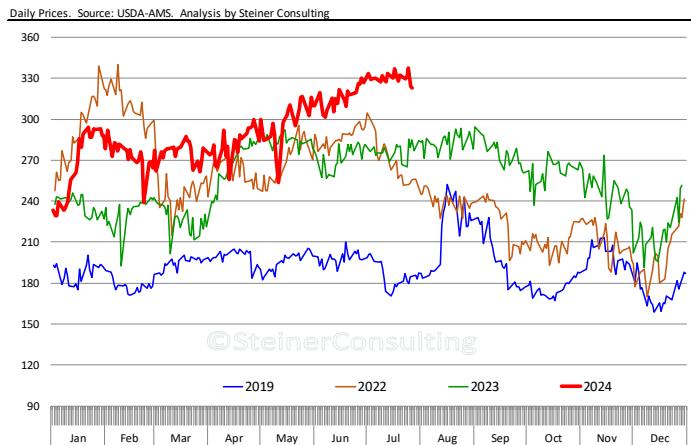
**What happens with retail ground beef prices in the fall?** Robust retail demand and the shortfall in domestic fresh cow meat supply have pushed lean grinding beef prices to record levels. USDA reported that as much as \$380/cwt was paid for 90CL boneless beef although the weekly average was below that (see page 7). Retail ground beef prices are expected to trade firm in the next 2-3 weeks as Labor Day demand comes into focus. Labor Day is always the first Monday in September and is viewed as (unofficial) end of the grilling season. Last year wholesale retail ground beef prices held up all the way through the end of August before trending lower and finding a bottom in late November. The chart to the right shows the daily price quotes for 81CL coarse ground, which in our view is the benchmark for retail ground beef. A number of factor contribute to the pullback in ground beef prices in the fall but primarily it is a shift in consumer demand to other products. At the same time, the supply of lean fresh domestic beef tends to improve due to a higher culling rate. Cow slaughter will likely be lower y/y in the fall but it will still be higher than it is today. Buyers know to tread lightly when bidding for Q4 meat.

**Female slaughter drops under 48%...but still high.** There's plenty of talk about herd rebuilding and the implications this will have about beef supply in the near term. A lower culling rate of the current herd and more heifers retained for herd rebuilding will tend to limit supply in order to set the stage for future growth. There are signs that producers have started to respond but we think we have yet to enter a full herd rebuilding cycle. Weekly slaughter data offers an indication alt-

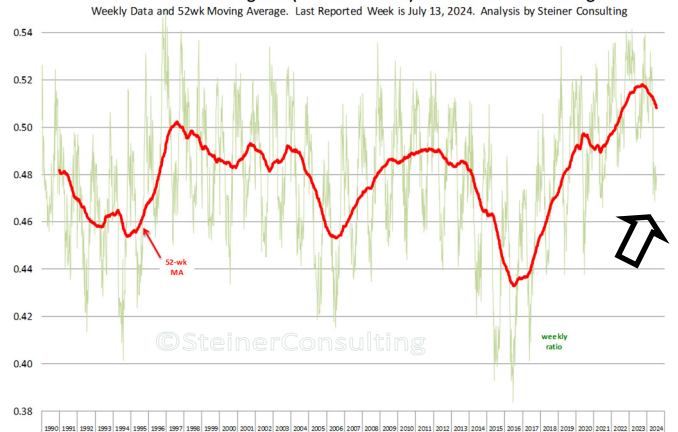
Weekly Ground Beef Retail Activity Index. USDA National Retail Report



81CL Coarse Ground Beef



Ratio of Female Slaughter (Heifers + Cows) To Total US Cattle Slaughter



hough it should be noted that it is lagged. The heifers going to slaughter today reflect decisions made a few months ago. Still, it is significant that since May, the number of female cattle going to market has averaged 47.7% of overall slaughter, well below the +50% rate observed for much of 2022 and 2023. The 52 week moving average remains above 50% and in the past herd rebuilding has not been in full force until the average drops below 47%. We are still far from that and we

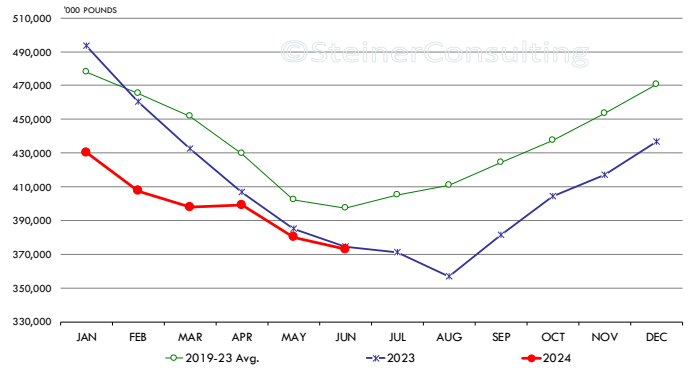
would argue at these levels producers are in a maintenance phase. There will be less supply in the next two years due to the smaller calf crops, a lower culling rate and fewer heifers going into feedlots.

**Less beef in cold storage but draw slows down.**

All beef inventory at 423.7M was down 0.1% vs. year ago. Last year, high prices forced end users to draw down their beef inventories. It appears we are on a similar trajectory this year as well. Total inventory at the end of June was below the long run average. Total beef inventory drawdown was 2.7% in June. The last three years we have seen a big drawdown during this time of year as end users manage their positions. Boneless beef inventory at the end of June was 372.8M pounds, 0.5% lower than a year ago and 6.1% lower than the five-year average. The drawdown in boneless beef inventories was 1.9%, below the long run average. Bone-in beef inventory at the end of June was 37.5M pounds, down 10% from the previous month but 3.6% higher than last year.

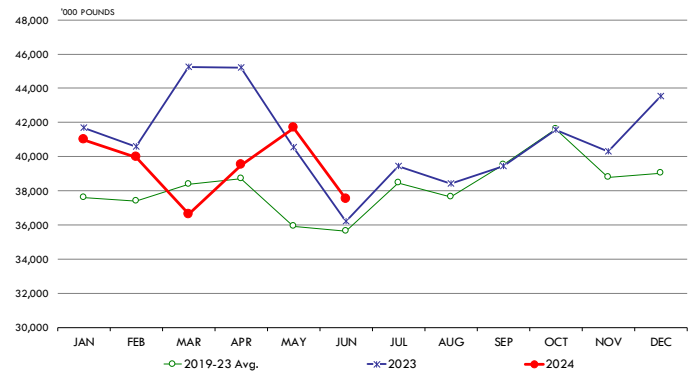
**MONTHLY VOLUME OF BONELESS BEEF IN COLD STORAGE.**

Y/Y Comparison, '000 pounds. Data source: USDA-NASS. Analysis by Steiner Consulting



**MONTHLY VOLUME OF BEEF CUTS IN COLD STORAGE.**

Y/Y Comparison, '000 pounds. Data source: USDA-NASS. Analysis by Steiner Consulting

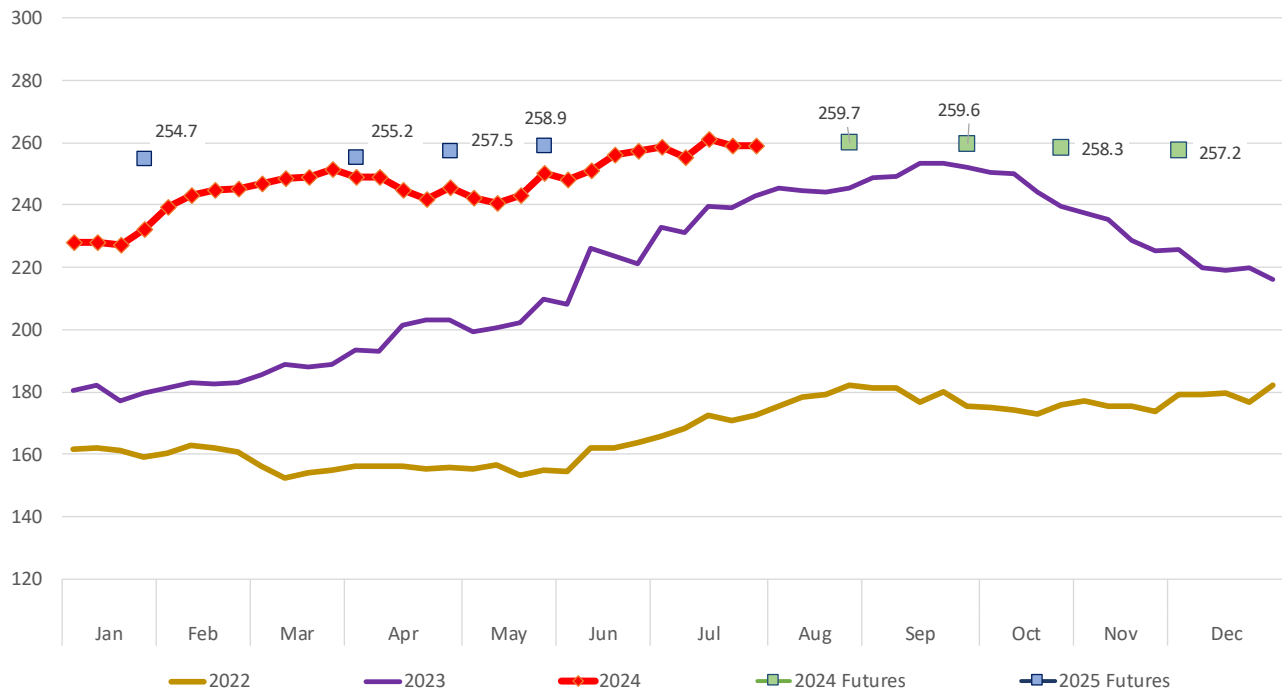


# CME Cattle Feeder Index and US Cattle Markets

	Current Week	Prior Week	% CHANGE VS. WK AGO	Last Year	Change from Last Year
	25-Jul-24	18-Jul-24		27-Jul-23	
CME FEEDER CATTLE INDEX	258.84	259.18	-0.1%	242.87	6.6%
	26-Jul-24	19-Jul-24		28-Jul-23	
FED STEER (5-MKT AVG)	194.36	193.84	0.3%	185.56	4.7%
CUTTER COW CARCASS, NATIONAL, 90% LEAN, 350-400 LB. (carcass wt.)	241.50	240.00	0.6%	190.00	27.1%
BONER COW CARCASS, NATIONAL, 85% LEAN, 400-500 LB. (carcass wt.)	260.50	260.50	0.0%	192.50	35.3%
BREAKER COW CARCASS, NATIONAL, 75% LEAN, 500+ (carcass wt.)	252.50	249.00	1.4%	195.00	29.5%
CUTTER COW CARCASS CUTOUT, 5-DAY MA, USDA	292.24	295.01	-0.9%	233.31	25.3%

## CME Feeder Cattle Index. Actual + Futures for 2024 and 2025

Source: CME. Analysis by Steiner Consulting



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	
	26-Jul-24		19-Jul-24			28-Jul-23			
<b><u>US East Coast Australian/NZ Lean, CIF</u></b>									
<b>95 CL Bull, E. Coast</b>	300.0	305.0	297.0	300.0	5.0	250.0	255.0	50.0	
<b>90 CL Blended Cow</b>	290.0	292.0	287.0	290.0	2.0	235.0	238.0	54.0	
<b>90 CL Shank</b>		285.0		285.0	0.0		235.0	50.0	
<b>85 CL Fores</b>		274.0		274.0	0.0		214.0	215.0	59.0
<b>85 CL Chucks</b>		UNQ		UNQ	N/A		UNQ	N/A	
<b>95 CL Bull, W. Coast</b>	300.0	302.0	297.0	298.0	4.0	250.0	254.0	48.0	
<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>		272.0		272.0	0.0		212.0	214.0	58.0
<b>80 CL Trimmings</b>		250.0		247.0	3.0		200.0	50.0	
<b>75 CL Trimmings</b>		210.0		211.0	1.0		190.0	22.0	
<b>65 CL Trimmings</b>		150.0		150.0	0.0		140.0	10.0	
<b><u>US East Coast Australian Cuts, CIF</u></b>									
<b>Cap Off Steer Insides</b>		360.0		362.0	-2.0		320.0	330.0	30.0
<b>Steer Insides 14/18</b>		UNQ		UNQ	N/A		UNQ	N/A	
<b>Steer Flats</b>		325.0		325.0	0.0		280.0	290.0	35.0
<b>Steer Knuckles</b>		315.0		315.0	0.0		290.0	295.0	20.0

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

	Current Week		Prior Week		Change From Last Week	Last Year		Change From Last Year
	26-Jul-24	19-Jul-24	26-Jul-24	19-Jul-24		28-Jul-23	28-Jul-23	
<b><u>US East Coast Australian/NZ Lean, FOB US Port</u></b>								
<b>95 CL Bull, E. Coast</b>	316.0	317.0	312.0	315.0	2.0	260.0	264.0	53.0
<b>90 CL Blended Cow</b>	300.0	301.0	298.0	300.0	1.0	243.0	247.0	54.0
<b>90 CL Shank</b>		295.0	290.0	292.0	3.0	240.0	245.0	50.0
<b>85 CL Fores</b>	282.0	283.0	282.0	283.0	0.0	222.0	225.0	58.0
<b>85 CL Chucks</b>		UNQ		UNQ	N/A		UNQ	N/A
<b>95 CL Bull, W. Coast</b>	313.0	315.0	310.0	312.0	3.0	260.0	263.0	52.0
<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>		282.0	281.0	282.0	0.0	220.0	224.0	58.0
<b>80 CL Trimmings</b>	255.0	257.0	250.0	255.0	2.0		215.0	42.0
<b>75 CL Trimmings</b>	220.0	225.0	220.0	225.0	0.0	190.0	195.0	30.0
<b>65 CL Trimmings</b>	160.0	165.0	160.0	165.0	0.0	150.0	155.0	10.0
<b><u>US East Coast Australian Cuts, FOB US Port</u></b>								
<b>Cap Off Steer Insides</b>	370.0	375.0	370.0	375.0	0.0	345.0	355.0	20.0
<b>Steer Insides 14/18</b>		UNQ		UNQ	N/A		UNQ	N/A
<b>Steer Flats</b>	335.0	340.0	335.0	340.0	0.0	290.0	300.0	40.0
<b>Steer Knuckles</b>	320.0	325.0	320.0	325.0	0.0	300.0	310.0	15.0

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

	Current Week			Prior Week			Change From Last Week	Last Year			Change from Last Year
	Low	High	Wt.Avg	Low	High	Wt.Avg		Low	High	Wt.Avg	
	<b>26-Jul-24</b>			<b>19-Jul-24</b>				<b>28-Jul-23</b>			
<b><u>Domestic Cutouts</u></b>											
<b>Choice Cutout</b>	313.77			313.83			-0.1	302.00			11.8
<b>Select Cutout</b>	297.46			298.80			-1.3	277.54			19.9
<b><u>Domestic Lean Grinding Beef</u></b>											
<b>90 CL Boneless</b>	372.3	385.5	375.2	372.0	385.5	375.8	-0.6	292.0	305.4	294.4	80.8
<b>85 CL Beef Trimmings</b>	330.0	367.0	344.6	340.0	378.5	356.7	-12.2	260.0	287.0	273.5	71.1
<b>50 CL Beef Trim</b>	118.0	159.0	143.0	98.0	137.0	123.7	19.3	134.0	206.0	157.7	-14.7
<b><u>Domestic Pork Trim</u></b>											
<b>42 CL Pork Trim</b>	57.1	88.0	68.2	55.0	87.0	66.9	1.3	100.0	129.0	110.9	-42.7
<b>72 CL Pork Trim</b>	93.0	133.6	106.1	83.0	106.8	95.8	10.3	108.0	130.9	115.3	-9.2
<b><u>Point of Lean Values</u></b>											
<b>90 CL Domestic</b>	416.9			417.5			-0.6	327.1			89.7
<b>50 CL Beef Trimming</b>	285.9			247.3			38.6	315.4			-29.5
<b>42 CL Pork Trim</b>	162.3			159.3			3.0	264.0			-101.7
<b>72 CL Pork Trim</b>	147.3			133.0			14.3	160.1			-12.8
<b><u>National Direct Fed Steer (5-day accum. wt. avg. price)</u></b>	194.36			193.84			0.5	185.56			8.8

### 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>26-Jul-24</b>	<b>19-Jul-24</b>			<b>28-Jul-23</b>		
<u>Live Cattle Futures</u>							
August '24	188.575	183.100	↑	5.48	178.150	↑	10.43
October '24	188.550	183.475	↑	5.08	179.600	↑	8.95
December '24	189.300	184.675	↑	4.63	183.600	↑	5.70
February '25	189.925	186.650	↑	3.28	187.625	↑	2.30
<u>Feeder Cattle Futures</u>							
August '24	259.700	255.600	↑	4.10	245.600	↑	14.10
September '24	259.600	255.775	↑	3.83	248.975	↑	10.63
October '24	258.300	255.650	↑	2.65	251.000	↑	7.30
November '24	257.200	255.375	↑	1.82	251.875	↑	5.32
<u>Corn Futures</u>							
September '24	394.500	390.500	↑	4.00	521.000	↓	-126.50
December '24	410.000	404.750	↑	5.25	530.250	↓	-120.25
March '25	424.500	418.500	↑	6.00	541.750	↓	-117.25
May '25	435.000	428.250	↑	6.75	548.250	↓	-113.25
<u>Ch Wheat Futures</u>							
September '24	523 1/2	542 3/4	↓	-19.25	704 1/4	↓	-180.75
December '24	548 1/2	568	↓	-19.50	728	↓	-179.50
March '25	569	588 1/2	↓	-19.50	768 3/4	↓	-199.75
May '25	581	599 1/2	↓	-18.50	767	↓	-186.00

Slaughter Information	7 Days Ending	7 Days Ending	Change From Last		7 Days Ending	Change From	
			Week	Week		Last Year	Last Year
	<b>27-Jul-24</b>	<b>20-Jul-24</b>			<b>29-Jul-23</b>		
<u>Total Cattle Slaughter</u>	600,000	584,000	↑	16,000	615,900	↓	-15,900
	<b>13-Jul-24</b>	<b>6-Jul-24</b>			<b>15-Jul-23</b>		
<u>Total Cow Slaughter</u>	103,301	83,545	↑	19,756	123,600	↓	-20,299
<u>Dairy Cow Slaughter</u>	52,495	40,189	↑	12,306	59,600	↓	-7,105
<u>Beef Cow Slaughter</u>	50,806	43,356	↑	7,450	64,000	↓	-13,194



# TABLE 7 - US BEEF IMPORTS

(Source: USDA/AMS)

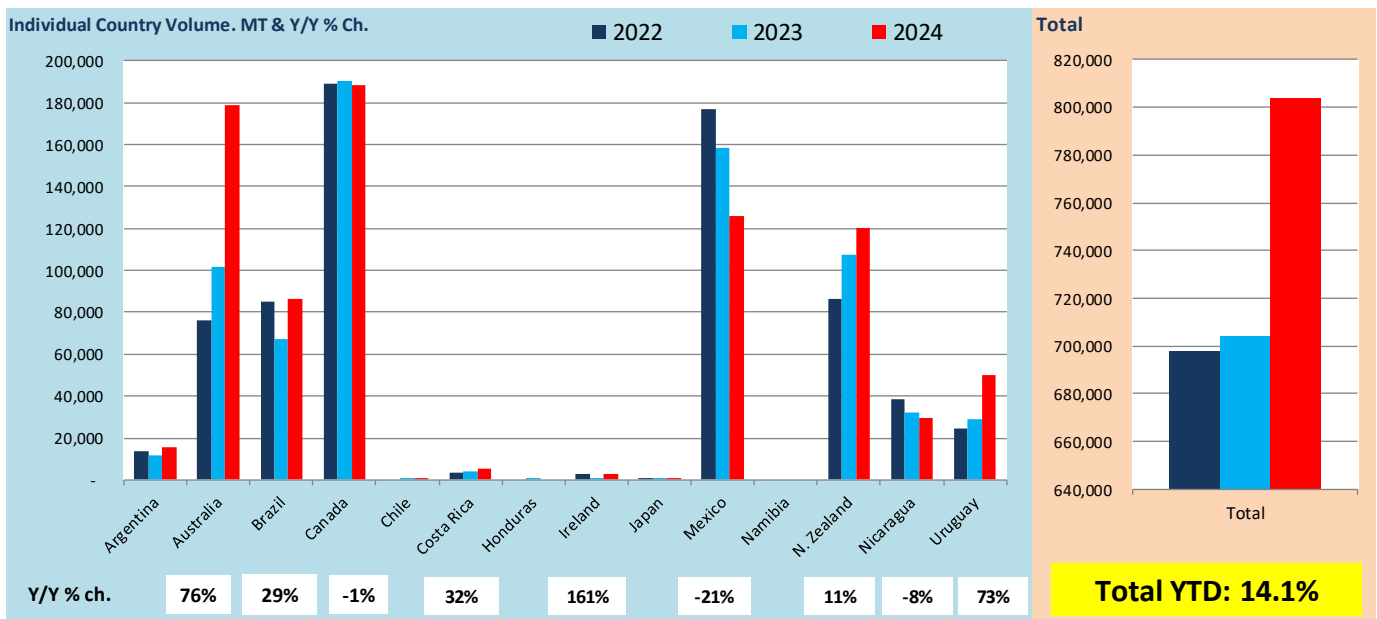
## YTD Imported Fresh/Frz Beef Passed for Entry in the US

week 29	7/22/2023	7/20/2024		
Argentina	11,690	15,546	3,856	33.0%
Australia	101,859	178,833	76,974	75.6%
Brazil	67,358	86,610	19,252	28.6%
Canada	190,205	188,327	(1,878)	-1.0%
Chile	20	1	(19)	-95.0%
Costa Rica	4,278	5,664	1,386	32.4%
France	-	-	-	
Honduras	19	-	(19)	-100.0%
Ireland	1,097	2,862	1,765	160.9%
Japan	851	876	25	2.9%
Mexico	158,182	125,577	(32,605)	-20.6%
Namibia	-	-	-	
Netherlands	-	-	-	
New Zealand	107,687	119,977	12,290	11.4%
Nicaragua	32,160	29,454	(2,706)	-8.4%
Spain	-	-	-	
Uruguay	28,890	49,977	21,087	73.0%
<b>Total</b>	<b>704,295</b>	<b>803,704</b>	<b>99,409</b>	<b>14.1%</b>

Source: AMS - USDA

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

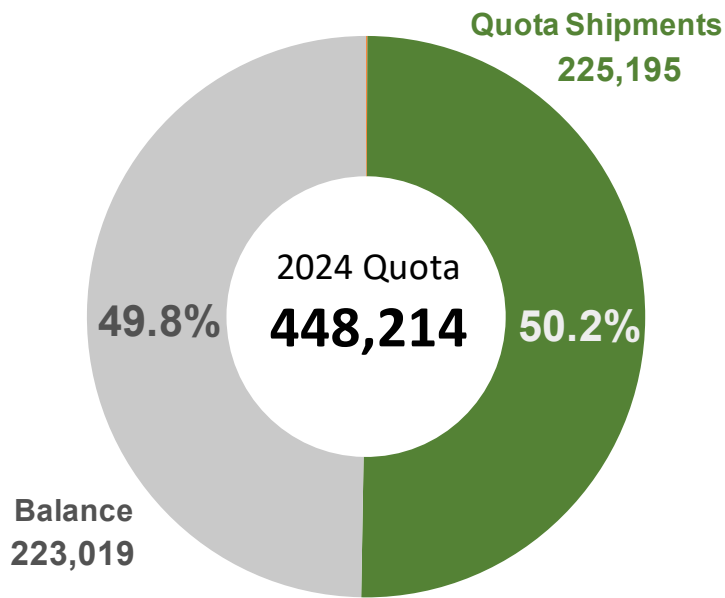
Imports as of July 20, 2024



# Australian Beef Quota Position

25-Jul-24

Metric Ton. Australian Department of Agriculture Statistics



Australia still has a quota in place even though beef no longer faces a quota based tariff. The over quota product is now subject to a safeguard duty. Due to this DAFF continues to report volume shipped against quota.

## USA Quota Entries through Week Ending July 22. Metric Ton

Data source: US Customs. Analysis by Steiner Consulting

