



# Global Beef Market Monthly Review

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## Highlights

**China:** Chinese imports have been lower than expected the last two months, with July down 27% y/y. In part this is due to comparisons to a very high base last year but also ample inventories. Current forecast is for imports to still increase y/y.

**Japan:** Japanese beef imports have seen robust growth the last couple of months, significantly changing the outlook for all of 2024. Inventory levels are down, and Japanese buyers have been more active in the Australian and US market. We have revised higher our estimates for all of 2024.

**S. Korea:** Little has changed in our assessment, with imports so far this year down 4% and expected to be down 1.2% for all of 2024. Higher imports from Australia are expected to bolster supply while imports from the US are expected to be lower y/y.

**USA:** US imports have far exceeded estimates, in large part due to higher imports from South America. Brazil continues to ship significant volumes out of quota but so is Uruguay and Argentina. High lean beef prices and the strong dollar contributing to the strong pace.

**Brazil:** Exports to China rebounded in July and combined with strong exports to the US and Middle East caused exports for the month to increase 48% y/y. Expectations are for a double digit increase in exports for all of 2024 and shipments to the US at 120k MT.

**Argentina:** Low rate of slaughter in June likely impacted export volume in July, down 16% y/y. July slaughter was down as well. Year to date exports are still up 8%, with robust growth expected to the US despite limited quota.

**Australia:** Forecast for Australian beef exports continues to be revised higher on expectations of higher slaughter, robust prices in the world market, especially USA

## 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	5,780,744	553,033	10.6%	
Australia	11%	Jul 2024	129,998	32,692	34%	1,082,405	1,298,887	216,481	20.0%
Argentina	6%	Jul 2024	56,163	-10,590	-16%	683,397	726,451	43,054	6.3%
New Zealand	6%	Jul 2024	38,822	-7,419	-16%	497,609	520,305	22,696	4.6%
Brazil	20%	Jul 2024	237,267	76,472	48%	1,996,585	2,327,385	330,800	16.6%
USA	14%	Jun 2024	83,955	-1,803	-2%	967,714	907,716	-59,998	-6.2%
<b>IMPORTS</b>					5,005,310	5,340,900	335,590	6.7%	
USA	15%	Jun 2024	112,234	17,346	18%	1,194,175	1,387,632	193,456	16.2%
China	30%	Jul 2024	215,319	-79,448	-27%	2,736,186	2,873,036	136,850	5.0%
Hong Kong	4%	Jul 2024	7,452	435	6%	96,565	98,980	2,414	2.5%
Japan	8%	Jul 2024	49,346	10,647	28%	503,964	514,043	10,079	2.0%
S. Korea	6%	Jul 2024	38,535	-2,078	-5%	474,419	467,209	-7,210	-1.5%

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

## North America Market Update

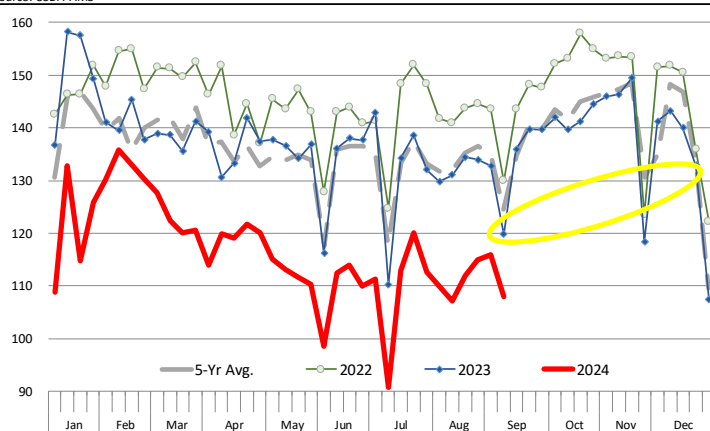
**United States:** US cow and bull slaughter has been well under year ago levels for much of spring and summer and that's expected to extend into the fall. Slaughter in the four weeks ending August 31 was 450k head, down 15.4% from a year ago and 27.2% from two years ago. Both dairy and beef cow slaughter has been down significantly although more recently the decline in beef cow slaughter has been much more significant. Dairy prices are currently hovering near annual highs and this is likely to limit dairy cow slaughter into the fall. Beef cow inventory at the start of the year was the lowest it had been in decades. Combined with lower feed costs, improved pasture conditions and a return to a more normal culling rate this implies ongoing short supplies of beef cows this fall. Overall supply will be seasonally higher than it was this summer but still quite limited from a historical perspective.

As for fed beef production, so far supply has far outpaced earlier forecasts. The inventory of market ready cattle was notably higher than a year ago this spring. As a result, cattle ended up spending more time on feed and consequently came to market far heavier than a year ago. During spring fed cattle carcass weights were routinely 3.5% to 4% higher than a year ago, adding to the supply of fed beef in the market. The most recent feedlot survey indicated that the supply of market ready cattle has declined and it is currently only 1% higher than a year ago. However, fed cattle weights remain significantly above year ago levels. Packer margins improved briefly in the last couple of weeks but they have been deep in the red for much of the year. With the choice beef cutout once again losing ground, packers are likely to keep a lid on slaughter through the fall. The challenge for packers going forward is that the supply of fed cattle will slowly decline, with more heifers going into the herd rather than feedlots. The decline in the calf crop in 2023 and 2024 also sets the stage for fewer fed cattle/longer feeding in 2025. Current USDA forecasts are calling for beef production in 2024 to be just 0.9% lower than a year ago even with the double digit decline in cow slaughter. The forecast is for beef production in 2025, however, to decline almost 5%. If the decline in cow slaughter was the main reason for the y/y decline in beef production in 2024, the decline in fed beef production will be the primary reason in 2025.

**Mexico:** Mexico is sending less beef but more young cattle to the US market. US beef imports from Mexico so far this year are down 35k MT (-19.5%) than a year ago and down by more than 30% compared to two years ago. On the other hand, US imports of feeder cattle from Mexico through mid April were a little over 900k head, up 200k head (+28%) compared to a year ago. In the last two months alone imports of feeder cattle

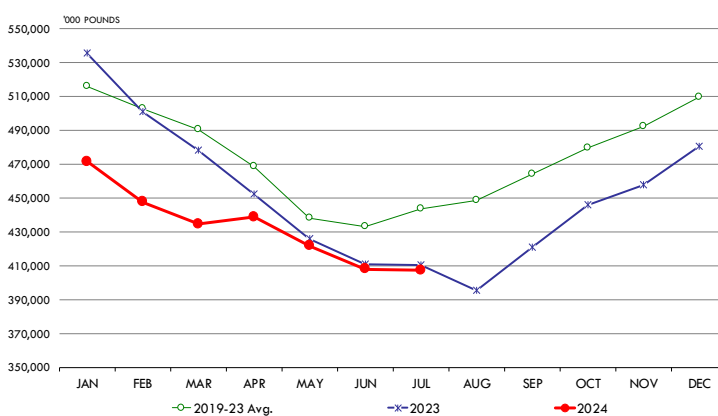
**WEEKLY COW & BULL SLAUGHTER. '000 HEAD**

Source: USDA-AMS



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

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



from Mexico were up almost 80k head, a 65% jump from the previous year.

Despite sending more feeder cattle to the US, Mexican beef production remains on trend and expected to increase by about 2% this year. In July beef production was estimated at 193,995 MT, 2.4% higher than a year ago. Year to date production at 1.277 million MT was 2% above year ago levels.

Mexican trade data is reported with a lag. The most current report is for May, showing beef exports down 25% while beef imports were up 14%. The biggest import volume was from the US, up 34% for May and up 31% in the first five months of the year. Canada is the second largest beef supplier to the Mexican market, with imports through May up 3%.

**Canada:** Cow slaughter in Canada remains well below year ago levels. In the four weeks ending August 17 slaughter was 25,144 head, 23.3% lower than the same period a year ago and 17.1% lower than the five year average. The decline in cow slaughter should not be a surprise. Drought conditions persist

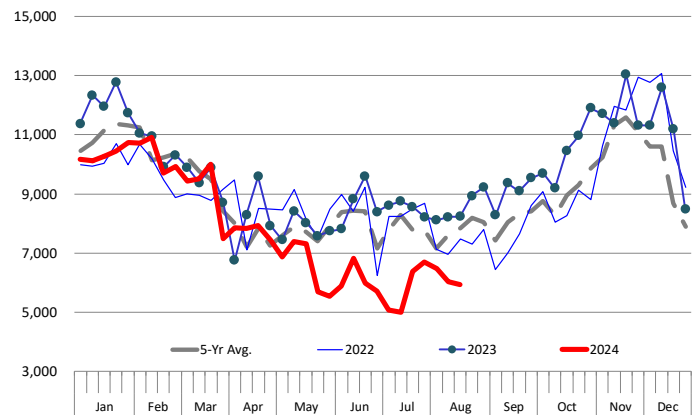
## North America (continued)

although they are not as severe as they were a year ago. Combined with the smaller beef cow herd in decades, this implies a significant and consistent decline in the slaughter pace this summer. The most recent survey from Statistics Canada shows the beef cow herd as of July 1 was 3.485 million head, down 79k head (-2.2%) from a year ago. The dairy cow herd at 969k head was slightly higher than a year ago. Producers indicated that heifers retained for beef cow herd replacement on July 1 were slightly higher than the year before but still below the previous cyclical trough. Rebuilding the cow herd in Canada will take time and will depend largely breeding more heifers this year. The latest survey shows that process will be much slower than most expect.

The monthly feedlot survey only covers feedlots in Alberta and Saskatchewan. The semi-annual survey, however, captures all of Canada. As of July 1, total cattle in feeding operations were estimated at 1.343 million head, 41k head (-2.9%) lower than a year ago. By comparison, the monthly survey showed total on feed inventory in Alberta and Saskatchewan was 871k head, down 4.3% lower than a year ago.

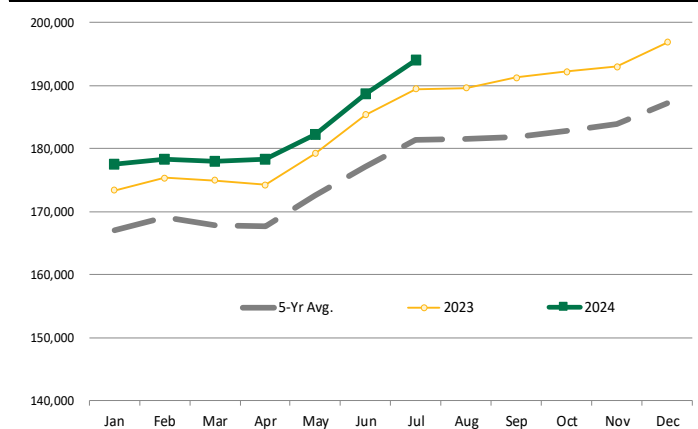
Canadian Weekly Cow Slaughter. Head

Data source: CanFax. Analysis by Steiner Consulting



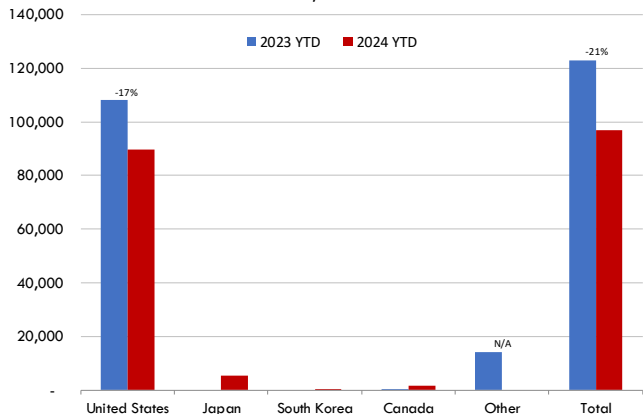
Mexico Beef Production

Source: SAGARPA



Mexican Fresh, Chilled & Frozen Beef Exports

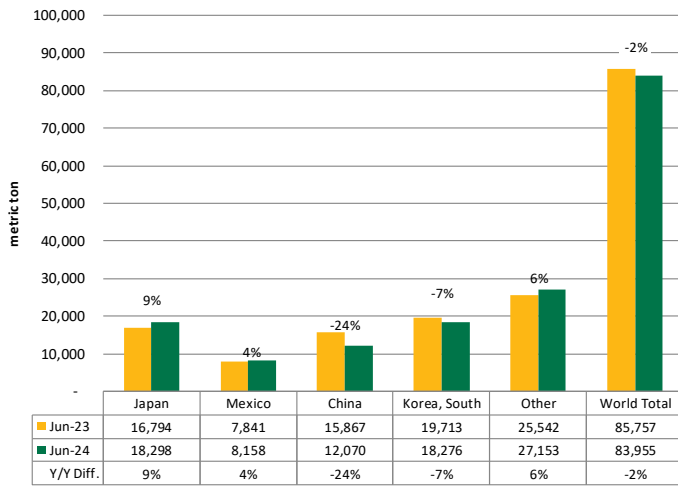
Year-to-Date, 2024 vs 2023



## North America Trade Statistics

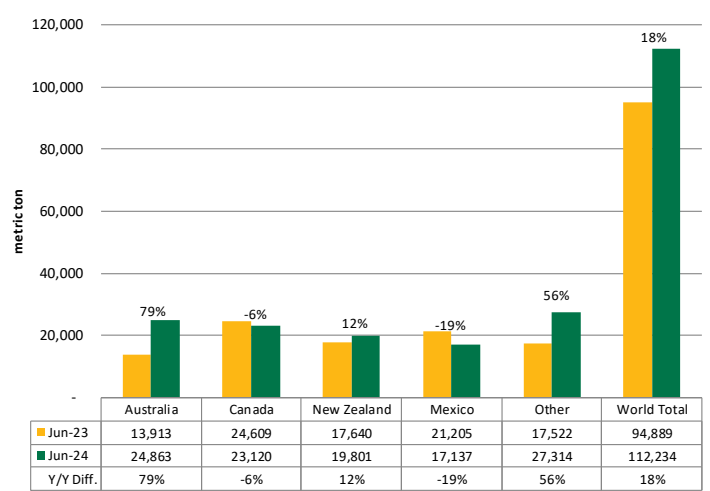
### USA Fresh/Frozen Beef Exports

Latest Data for June Units: Metric Tons



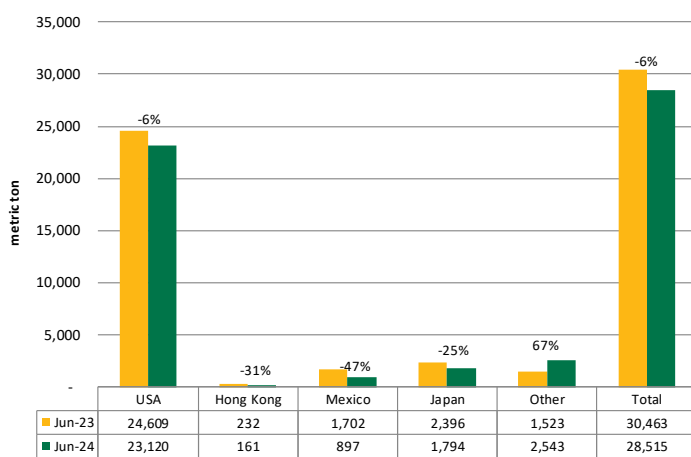
### USA Fresh/Frozen Beef Imports

Latest Data for June Units: Metric Tons



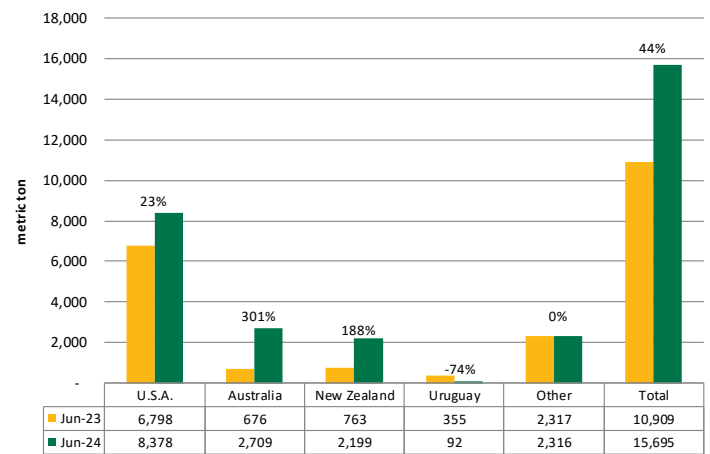
### Canada Fresh/Frozen Beef Exports

Latest Data for June Units: Metric Tons



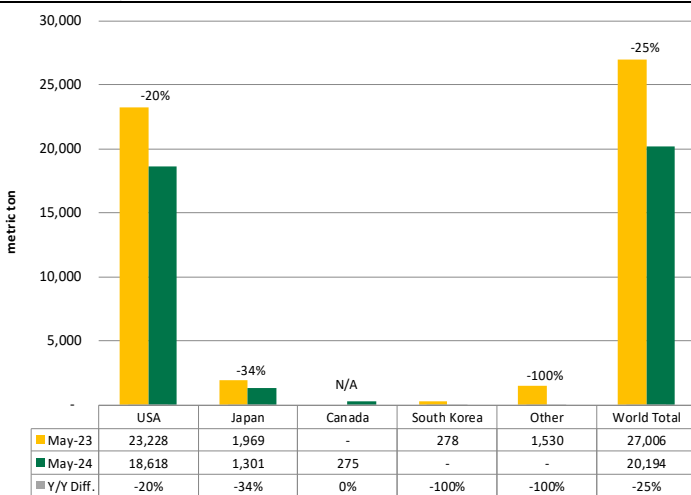
### Canada Fresh/Frozen Beef Imports

Latest Data for June Units: Metric Tons



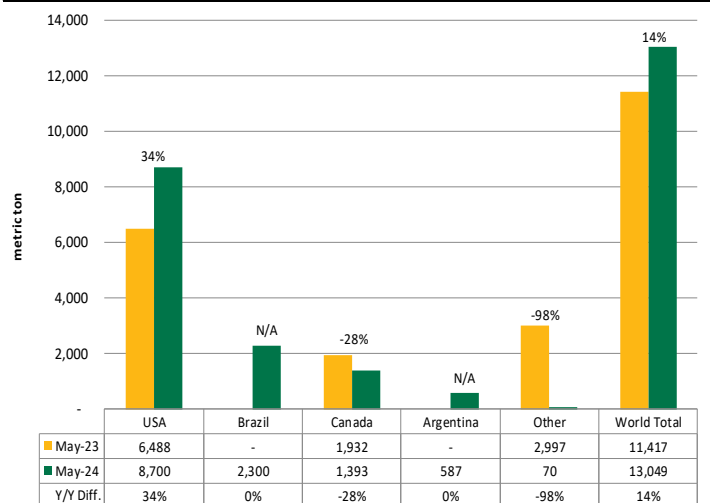
### Mexico Fresh/Frozen Beef Exports

Latest Data for May Units: Metric Tons



### Mexico Fresh/Frozen Beef Imports

Latest Data for May Units: Metric Tons



## South America Market Update

**Brazil:** We continue to make significant upward revisions to our forecast for Brazilian beef forecasts in 2024. Current forecast is for exports for all of 2024 to be up 16% above year ago, well above the USDA forecast. July shipments were particularly strong at 237,267 MT, a 48% jump compared to a year ago. Exports to China slowed down a bit in May and June but that's in part because we were comparing to a high base a year ago. July shipments to China bounced back and at 122,127 MT were 32% higher than a year ago. This was the highest monthly export volume since last September. The second largest market for Brazilian beef in July was the US despite the fact that Brazil filled the quota available in the US back in March. Shipments to the US in July were 14,475 MT, a 320% increase vs. a year ago. This follows shipments of 17,543 MT in June and 10,168 MT in May. Our current forecast is for Brazilian exports of fresh/frozen beef to the US to surpass 120k MT in 2024, with the potential for shipments to be as high as 150k MT.

Cattle slaughter in Brazil remains robust although it has declined somewhat from April and May levels. July slaughter was estimated 7.1% from a year ago. Initial estimates show August slaughter slightly above July but 2.3% lower than year ago levels. Based on current slaughter levels we expect Brazil to maintain the export pace in August and September.

**Argentina:** Argentina's beef and cattle market rebounded in July, reaching 1.252 million head. This represents the highest slaughter volume for the year and yet it is still 3% under last year's levels. Slaughter rates are expected to seasonally decline in the spring, which could impact future production volumes.

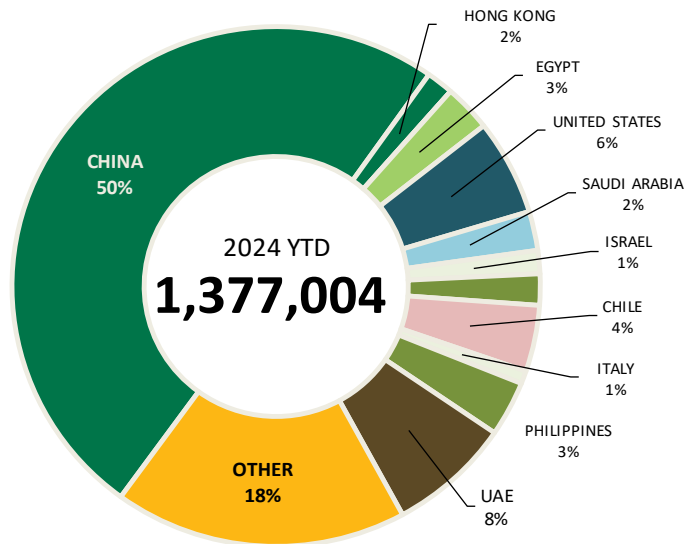
Exports of Argentine beef have faced challenges, with current volumes at 56,163 metric tons. This is a significant drop of 16% compared to the previous year, driven largely by reduced demand from key markets. Specifically, exports to China, the top destination for Argentine beef, decreased by 24% year-over-year, amounting to 11,719 metric tons. China still represents about 75% of overall Argentine exports.

Exports to the USA have shown a positive trend. In July alone, the USA imported 3,378 metric tons of Argentine beef, bringing the total for the January-July period to 20,595 metric tons. This represents a remarkable 59% increase compared to the same period last year. The growth in US imports is noteworthy as more product is now paying the 26.4% tariff, suggesting that Argentine beef continues to maintain competitive appeal despite increased costs.

**Uruguay:** Weekly slaughter has been following the seasonal

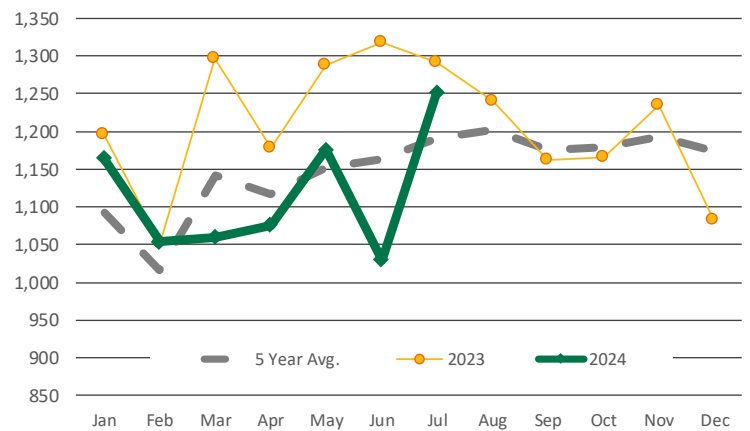
### YTD Brazil Beef Fr/Frz Beef Exports. Metric Ton

Source: COMEX. Jan - July



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

Source: MAGYP. Analysis by Steiner Consulting



trend for much of the year and that was the case in August as well. In the four weeks ending August 24 cattle slaughter average 44,583 head/week, up only 1.3% from a year ago but 2.9% lower than the five year average. If slaughter continues to track with last year's numbers, we should see weekly slaughter climb over 50k head/week in Q4. But even as overall numbers are near last year's levels, the composition of slaughter is vastly different. Steer slaughter during the reference period averaged 24,336 head/week, 12.5% higher than last year while cow slaughter averaged 12,095 head/week, 24% lower than a year ago.

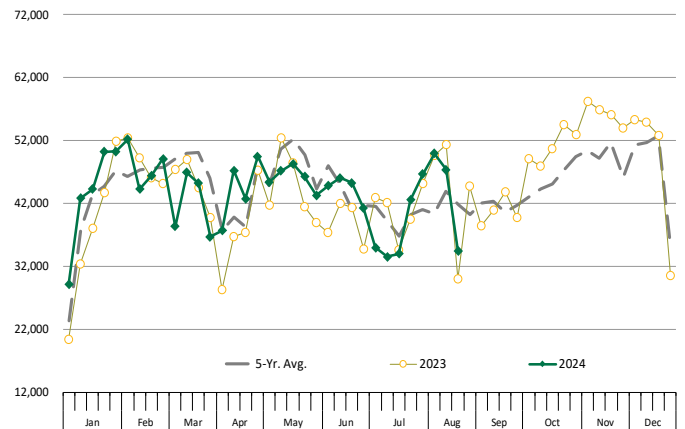
With slaughter hovering near year ago levels, exports have been near year ago levels as well. Shipments in July were

## South America (continued)

26,324 MT, 1% higher than a year ago. With Chinese buyers lowering their bids on product, Uruguayan packers have increasingly focused on the US market, even with the higher tariff in place. Exports to China in July were 9,921 MT, 4,631 MT (-32%) lower than a year ago. Exports to the US market, however, were 7,108 MT, up near 2300 MT (+48%) y/y. Year to date shipments to the US are a little over 56k MT. US Customs data shows that only around 14000 MT have been cleared using the quota.

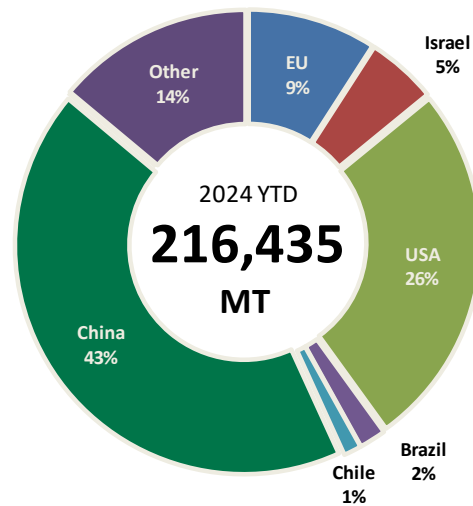
### Uruguay Cattle Slaughter, Total

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

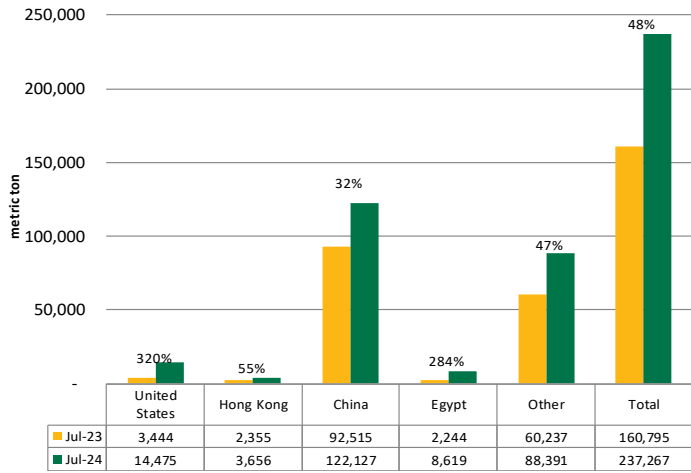


## South America Trade Statistics

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

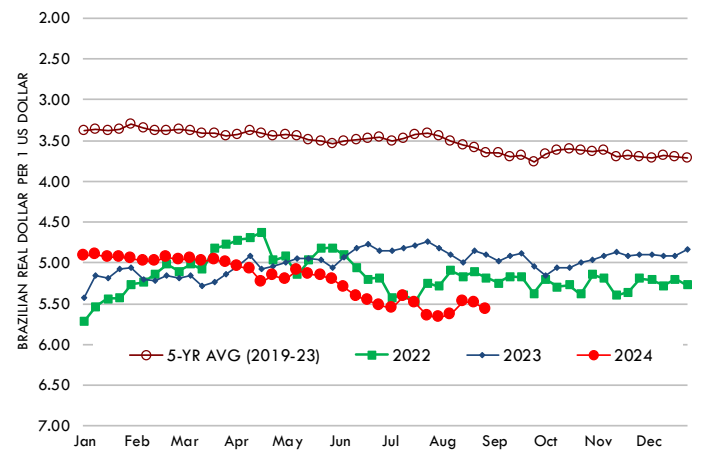
Analysis by Steiner Consulting

Units: Metric Tons



### Brazilian Real Per 1 US Dollar

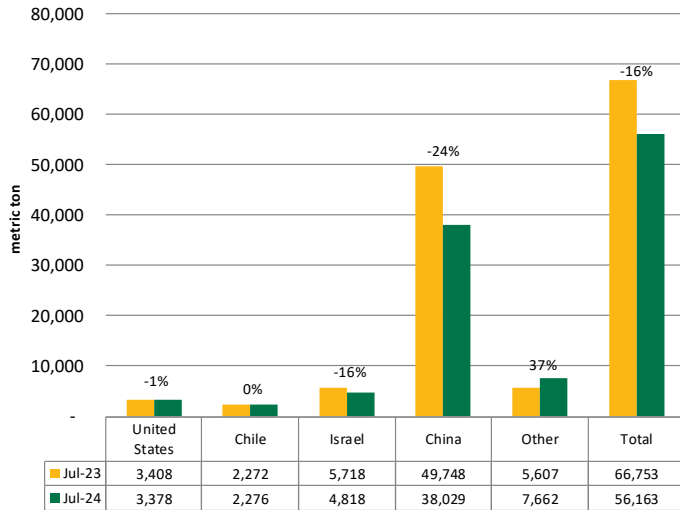
Y/Y Comparison of Weekly Exchange Rate



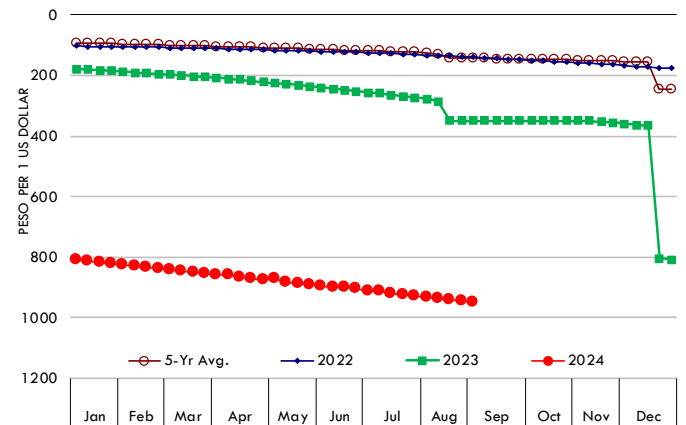
### Argentina Fresh/Frozen Beef Exports

Latest Data for July

Units: Metric Tons



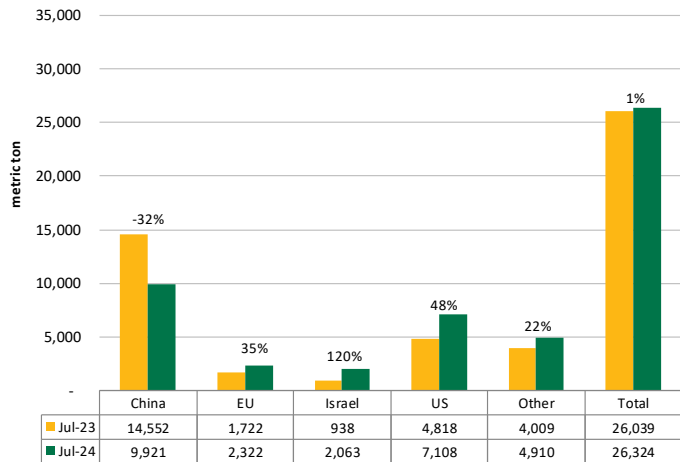
### Argentine Peso Per 1 US Dollar



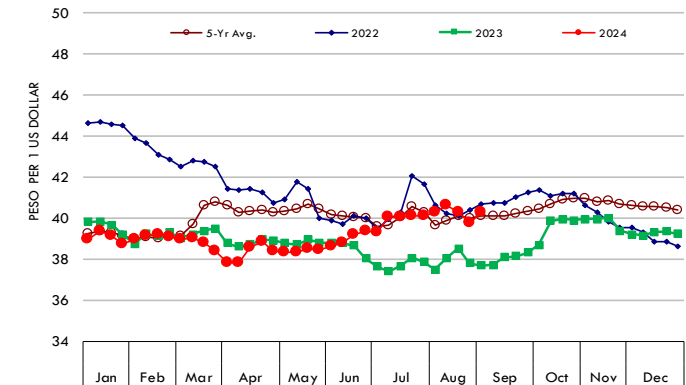
### Uruguayan Fresh/Frozen Beef Exports

Latest Data is for July 2024

Units: Metric Tons



### Uruguay Peso Per 1 US Dollar



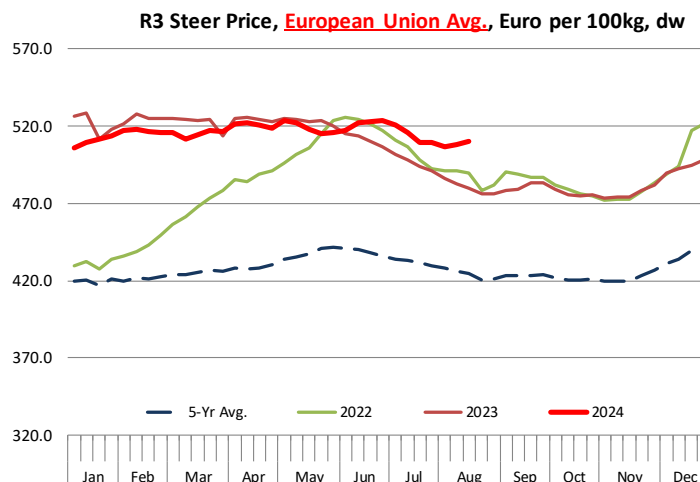
## Asia / EU Market Update

**European Union:** Cattle slaughter in Ireland has been running below year ago levels in recent weeks. In the four weeks ending September 1 slaughter was 130,967 head, almost 5k head (-3.6%) lower than a year ago. The bulk of the decline was due to fewer steers and heifers going to slaughter. Steer slaughter during this period was 59,958 head, a little over 5k head (-7.8%) lower than a year ago. Heifer slaughter during this period was 35,196 head, down 1,271 head (-3.5%) vs. a year ago. As the chart below illustrates, however, cow slaughter continues to run above year ago levels. Given the smaller cow herd, the higher culling rate suggests that producers are continue to liquidate their herds, implying lower beef production in the next two years. Cow slaughter during the last four weeks was 28,461 head, 8.5% higher than a year ago. Cow slaughter since the start of the year is up 27,350 head (+10.3%) vs. a year ago.

Cattle prices have been resilient so far this summer. The latest price for R3 steers in Ireland was pegged at 502 euro per 100 kg, slightly lower than in early July but 9.3% higher than a year ago. The average price in the EU was 510 euro per 100kg, 7.1% higher than last year. Cow prices have seen even more robust gains, which has likely incentivized producers to send cull cows to market a bit earlier. Sharply higher prices for lean beef in the US have impacted overall global trade. The average O3 cow price in Ireland was 430 euro per 100 kg, 13% higher than a year ago. The EU average price was 434 euro, 6% higher than last year.

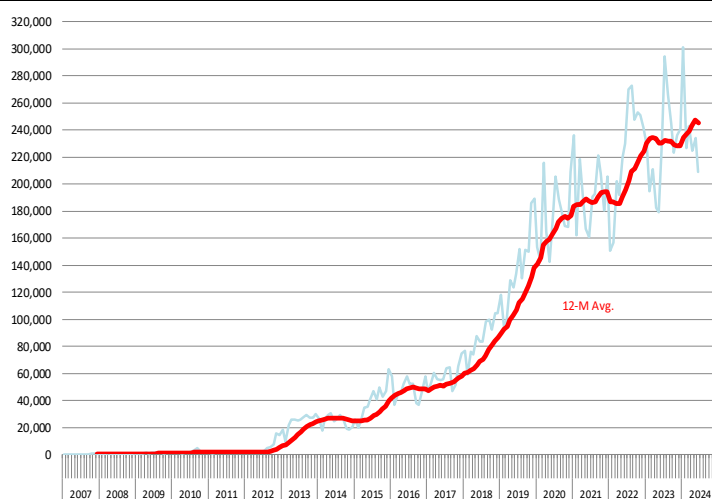
**China:** Chinese beef imports for July were down 27% y/y. Imports were down across the board with Brazil and New Zealand both seeing 30%+ declines. Brazil remains the top exporter to China making up 40% of all imports. Despite the recent pullback YTD imports into China are still up 8.5%. The Chinese cattle herd on January 1, 2024 is projected at 105.9 million head, 2.8% higher than the previous year. 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 through 2024.

**Japan:** Total cattle slaughter in June was estimated at 85,121 head, down 4.3% from the previous year. Heavy slaughter combined with higher imports earlier in the year has resulted in a backlog of product. YTD slaughter in Japan is currently 1,823 head, or 0.3% higher than a year ago. The trend in beef imports has been mixed but now moving higher. July beef imports were up 28% y/y. YTD imports are now up 3% in 2024.



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

Data Source: China Customs Administration. Analysis by Steiner Consulting

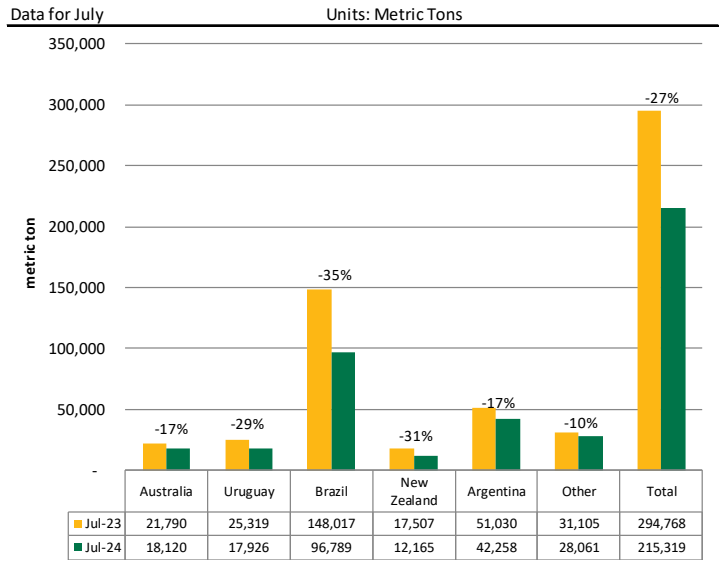


Imports from Oceania continue to grow with New Zealand seeing a 68% y/y increase while imports from Australia were up 54% in July. At the end of July beef inventory was estimated 5.6% above last year's levels. Japanese market still remains well supplied and getting sustainable growth in imports is a different matter.

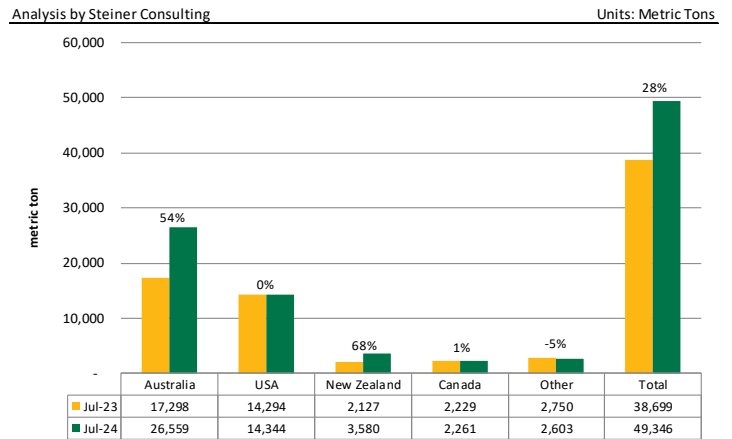


## Asia / EU Trade Statistics

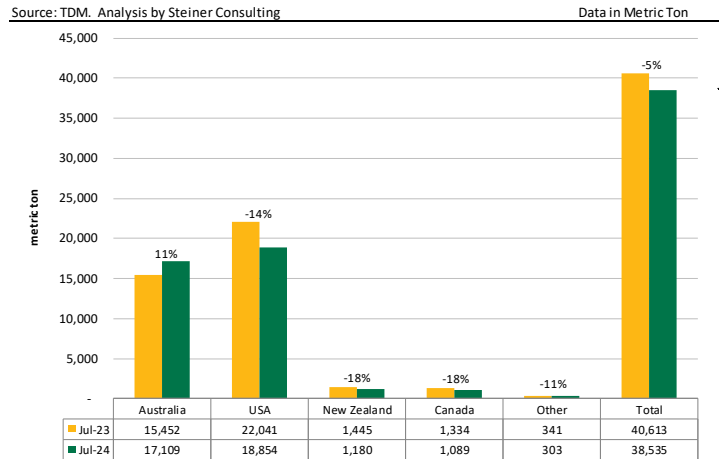
### China Fresh/Frozen Beef Imports



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



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



## Oceania Update

**New Zealand:** Slaughter in New Zealand has been well below year ago levels in the last three months. Robust dairy prices have impacted the culling rate as well as timing of drying out cows. In the four weeks ending August 3 (data reporting delayed by NZ), total cattle slaughter was 106,601 head, down 43k head (-29%) from a year ago and also 39k head (-27%) lower than the five year average. Bull slaughter during this period was 35% lower than a year ago, matching the weekly lows from a year ago. Considering the seasonal tendency for bull slaughter, supply is unlikely to recover much about current levels until early October. Cow slaughter during this period was down 27k head (-39%) from a year ago.

The decline in slaughter has significantly reduced the exportable supply. July shipments to all markets were 38,822 MT, 16% lower than year ago. Exports to China were down 6700 MT (-41%) while exports to the US, now the top market were down 1700 MT (-10%).

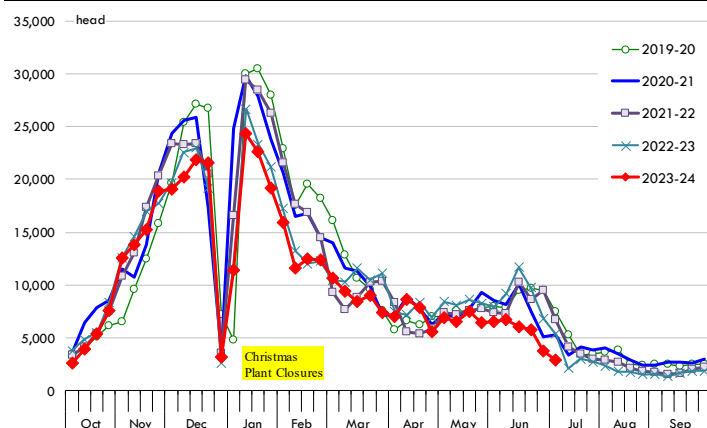
**Australia:** Slaughter in the Eastern States has been holding steady in the last three months, albeit still up by double digits from a year ago. In the four weeks ending August 30 cattle slaughter averaged 135,592 head/week (does not include Western Australia), up 13% from a year ago. Queensland (biggest producing state) slaughter averaged near 72k head/week, up 11% from a year ago while slaughter in Victoria at 21,860 head/week was 44% higher than last year's levels.

Cattle prices in Australia have stabilized and have been trending modestly higher in the last two months. Robust demand in export markets and a more stable weather situation has resulted in a more predictable flow. Often the EYCI has been viewed as a barometer of cattle prices but more recently MLA has developed a more comprehensive index, the NYCI (National Young Cattle Indicator). This is similar to the EYCI in some respects but tends to be more comprehensive. It offers a benchmark for "yearling, vealer and weaner cattle over 200kg liveweight which are bought and sold as restocker animals, meaning that they will return to a farm to replace livestock, be grown out, or join the breeding herd." The index is currently at 336 AUD/100kg, 12% higher than in July but near the same level as the start of the year. Note that the values are on a live weight basis vs. the EYCI that shows values on a carcass wt basis.

The increase in slaughter and robust demand continues to drive exports. July beef and veal shipments to all markets were near 130k MT, 33.6% higher than a year ago. Exports to the US in July were 38,540 MT, 61.2% higher than a year ago. We think exports in August are on track to surpass 42k MT, 63% higher than a year ago. Exports to Japan have shown a notable improvement as inventory levels in the coun-

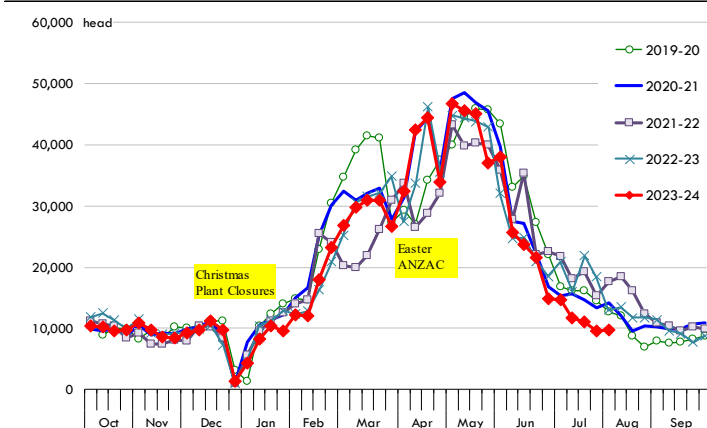
### New Zealand Weekly Bull Slaughter

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



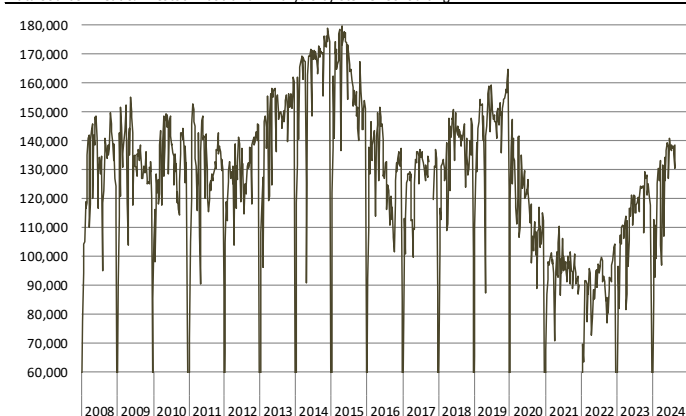
### New Zealand Weekly Cow Slaughter

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

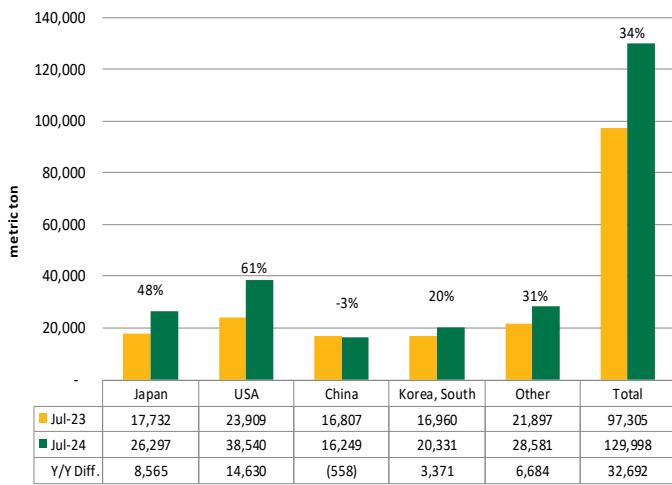


try have declined. Shipments to Japan in July were 26,297 MT, 48% higher than the very low base a year ago. August shipments to Japan are expected to be around 20k MT, about 20% higher than last year.

## Oceania Statistics

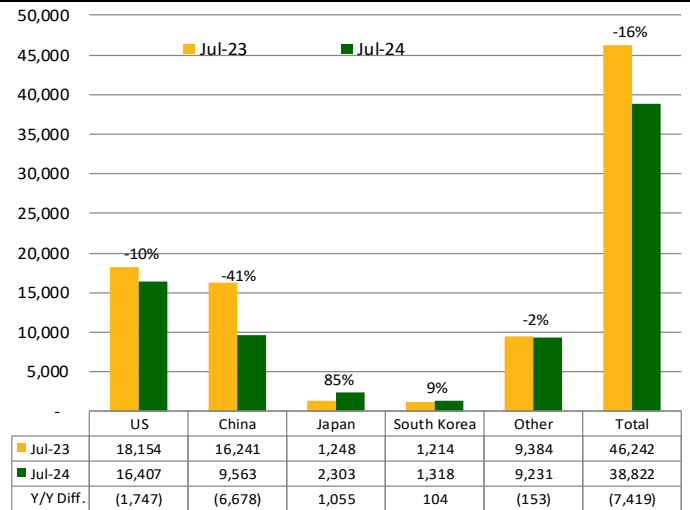
### Australia Fresh/Frozen Beef Exports In July 2024 vs. Year Ago

Latest Data for July Units: Metric Tons



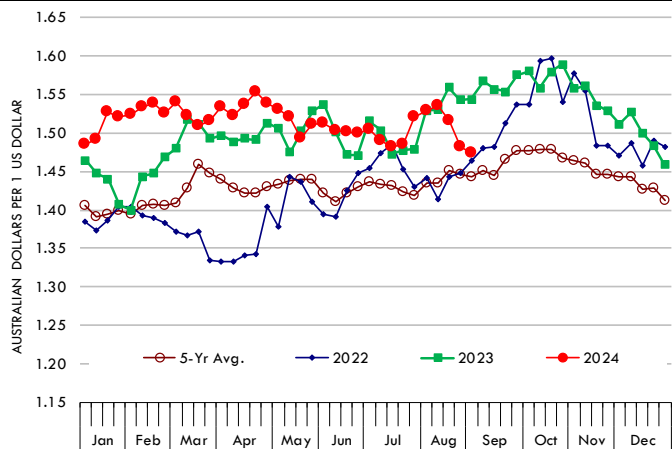
### New Zealand Fresh/Frozen Beef Exports in July. MT

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

