



# US Imported Beef Market

A Weekly Update

Prepared Exclusively for Meat & Livestock Australia - Sydney

Volume 25, Issue 36

September 6, 2024

Prepared by: Steiner Consulting Group | SteinerConsulting.com | 800-526-4612 | service@steinerconsulting.com

## Market Highlights for the Week:

- With slaughter plants closed on Monday September 2 (Labor Day), both fed and non fed cattle slaughter was down for the week. Non fed slaughter remains limited, down as much as 26% from two years ago, a trend that's expected to continue into Q4.
- Seasonally domestic lean beef prices take a step back in the fall, partly due to the seasonal improvement in production but also a slowdown in overall demand for ground beef. In recent years the decline has been anywhere between 5-7% from early September to late November.
- Ample supply of imported beef continues to keep values in check. Imports from Oceania and South America have been the highest in over a decade and that's expected to continue for the remainder of the year.
- Brazilian exports of fresh/frozen beef to the US in August were 15k MT, the third consecutive month shipments have been over this level. Through August Brazil has shipped near 100k MT to the US market.

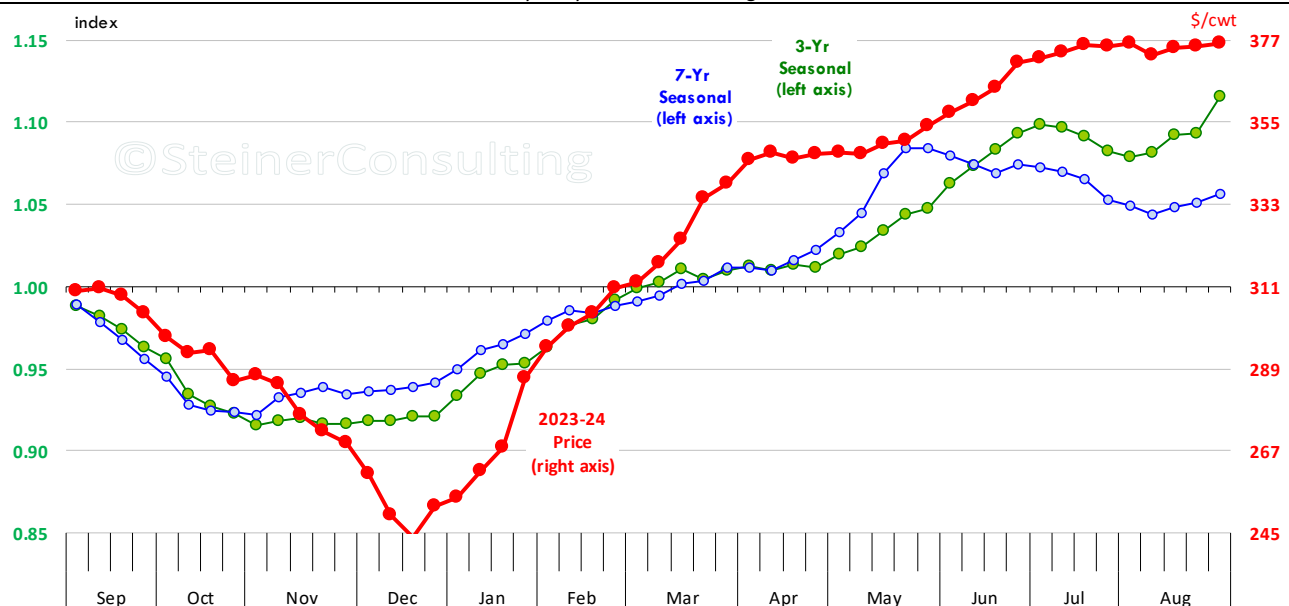
## Imported Market Activity for the Week

Imported beef prices continued to hold a softer undertone although there is a wide range of prices/ideas in the market. There is a wide range of ideas among market participants but what is clear is that lean beef prices have lost some of the momentum that drove prices to record levels in late spring and early summer. This should not be surprising, it happens almost every year to some degree. We have presented the chart below often

in the past to illustrate the seasonality of lean beef prices. Whether you calculate a 3 or 7 year seasonal factor, the pattern is similar. Prices generally lose ground in the fall and then they move higher into the spring. And the reason for showing the seasonality of domestic lean beef values while discussing imported product is because we think the domestic market remains the driving factor and imported prices, for the most part follow. Current domestic lean beef prices are still trading in the

## Seasonality of Fresh US Domestic 90CL Beef Trim. Weekly Average USDA Price

Current Price vs. 3-Yr and 7-Yr Seasonal. USDA Prices. Analysis by Steiner Consulting

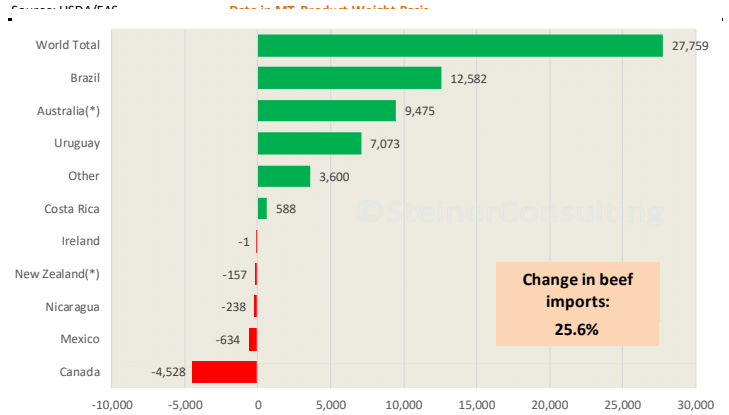


mid 370s. What the chart on page 1 tells domestic buyers (whether they calculate or simply know this from experience) is that domestic lean beef prices should be down between 5 and 7% by November. In other words a 20-25 cent decline. Last year the decline into the fall was bigger than normal but then was followed by a bigger than normal increase in the spring. Maybe the reverse plays out this year. For imported beef suppliers, however, trying to keep selling at a time when domestic buyers expect lean beef prices to pull back becomes a bit more difficult.

The difference from other years, which may limit in our view the downside for imported beef, is that imported product already is trading at a steep discount to domestic fresh beef. Availability of imported product is more important this year than in previous years in terms of the price trajectory in the fall. The latest USDA data, which is dated at this point, showed that total US beef imports in July were 25.6% higher than a year ago. While imports from Australia have been huge all year, in July the biggest contributor to the y/y increase was Brazil. Uruguay was not far behind. All the imports from Brazil at this point are paying the out of quota tariff, we think very little is going into bonded warehouses. Looking at the HTS codes for the month of July shows that 15,262 MT was frozen boneless beef cleared using the 26.4% out of quota tariff and 1,289 MT was chilled out of quota product. The increase in the amount of chilled beef entering out of quota recently has been significant. During the May, Jun, Jul period imports of chilled beef were near 3,700 MT compared to zero a year ago.

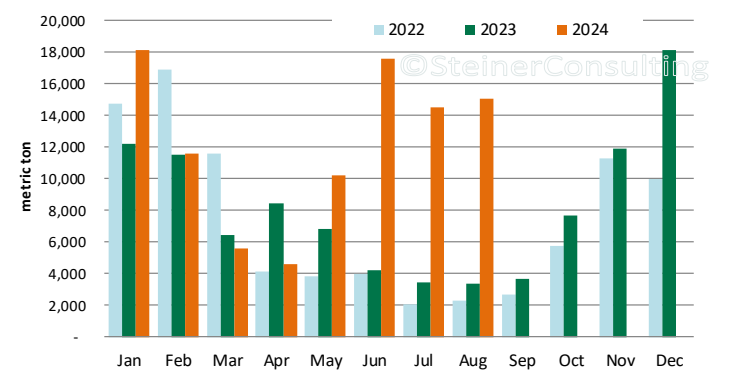
The trend of big shipments continued in August and that is expected to keep the market well supplied in September and likely the remainder of the year. Australian beef shipments in August were 41k MT, 59% higher than a year ago. We only have a few days of shipments for September but current pace would suggest shipments in the 35k MT area, we'll know more next week. Brazil also continues to ship more product than a year ago. August exports to the US were a little over 15k MT compared to 3,366 MT in August 2023. Through August Brazilian exports of fresh/frozen beef to the US have reached 97k MT, 72% higher than a year ago. Our target to start the year was for shipments to reach 100k MT in 2024. At this point it seems likely shipments will get to 150k

Y/Y Ch. in Jul. 24 vs. Jul 23 US Beef and Veal Imports, MT



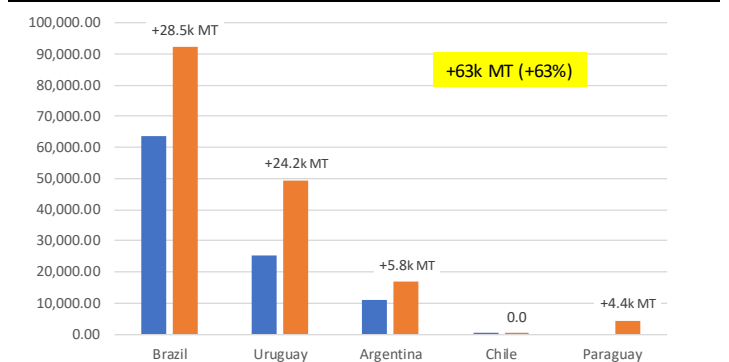
Brazilian Exports of Fresh/Frozen Beef to the US in 2022, 2023 & 2024

Data source: COMEX. Analysis by Steiner Consulting. Data in MT Shipped Wt.



Y/Y Comparison of US Beef Imports from South America for Jan - Aug Period

Data source: USDA-FAS. Analysis by Steiner Consulting



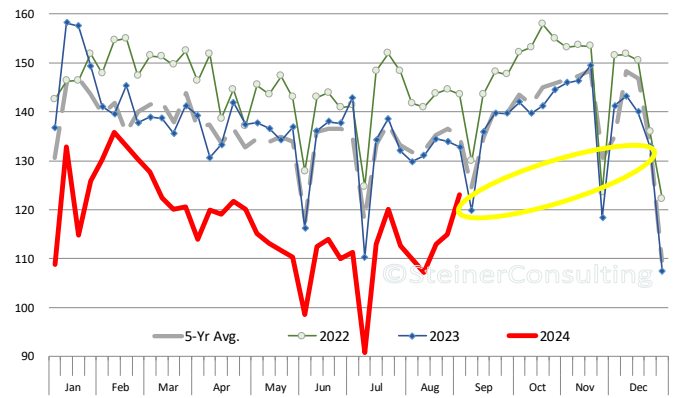
MT. Total Brazilian exports of fresh/frozen beef in August were 217,459 MT, +32k MT (+17%) higher than a year ago. Brazilian beef exports were higher in August despite a 7% decline in exports to China. The US market accounted for the bulk of the y/y increase (+11.7k MT) but other markets registered strong growth as well: Mexico (+4k), Turkey (+3.5k), Philippines (+3.4k), UAE (1.1k).

In 2023 Brazil filled the quota available in late April and in 2024 the quota was filled in early March. When will the quota be filled in 2025?

Our guess would be sometime in the first two months of the year, with around 30k MT likely to be shipped in late November and December and then another 25k MT shipped in January and early February. It is unclear at this point about the supply that will be carried in bonded warehouses in the fall to be released at the start of the year. Also unclear to us how product that goes into bonded warehouses is categorized in the US import statistics, something that we hope to clarify soon. Regardless, the surge in Brazilian shipments has changed the dynamic in the US imported beef market and sustained the big discount between domestic and imported product.

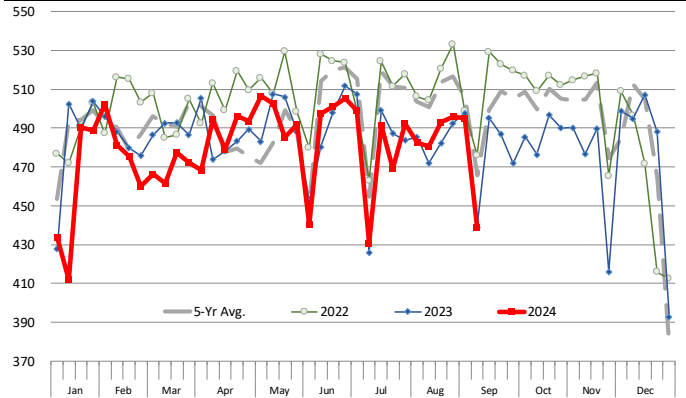
**WEEKLY COW & BULL SLAUGHTER. '000 HEAD**

Source: USDA-AMS



**WEEKLY STEER AND HEIFER SLAUGHTER. '000 HEAD**

Source: USDA



**Other market notes**

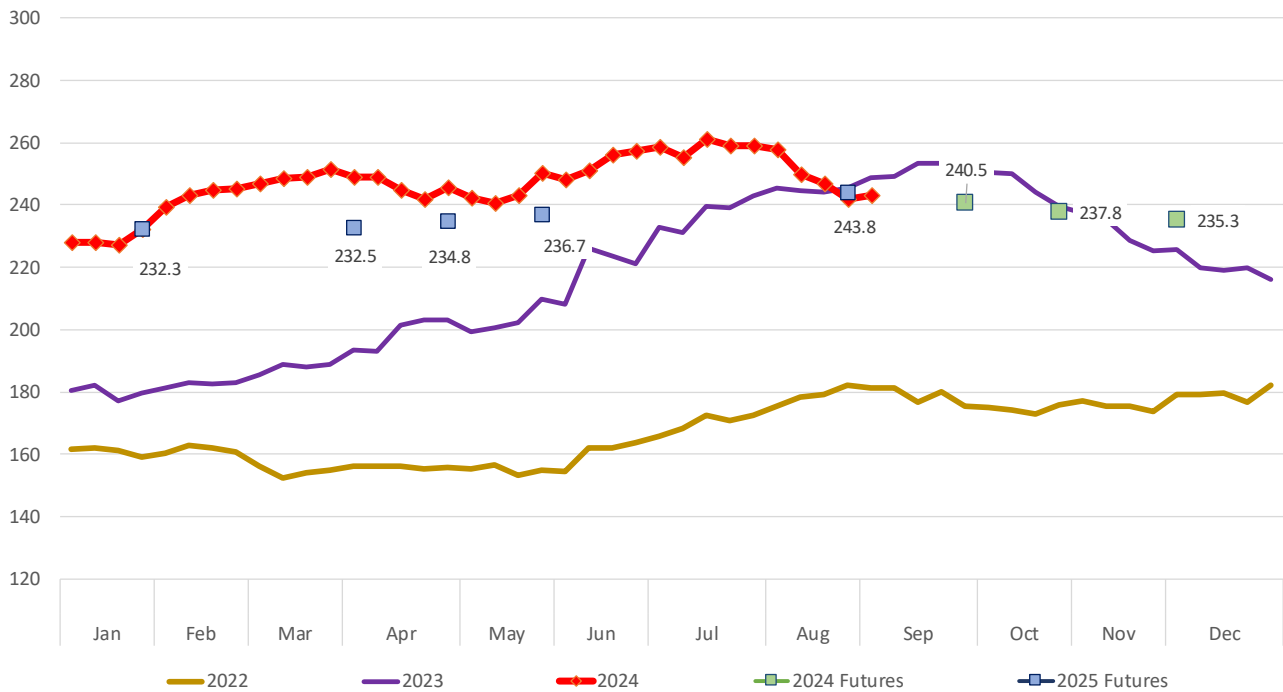
- Fed cattle slaughter last week was estimated at 439k head, down about 55k head from the week before due to the holiday shortened week. Slaughter continues to run near the same levels as a year ago and that’s expected to persist the rest of September and into early October. Fed beef production, however, is higher than a year ago as fed cattle weights are still as much as 3% above year ago levels.
- Concerns about demand have significantly pressured futures, with some forward contracts currently trading near contract lows. As was the case last year, much of this is speculative as spot beef prices remain well supported.
- Non fed cattle slaughter last week was estimated at 103k head, 14% lower than last year and 26% lower than two years ago.

# CME Cattle Feeder Index and US Cattle Markets

	Current Week	Prior Week	% CHANGE VS. WK AGO	Last Year	Change from Last Year
	29-Aug-24	22-Aug-24		31-Aug-23	
CME FEEDER CATTLE INDEX	242.95	241.70	0.5%	248.95	-2.4%
	30-Aug-24	23-Aug-24		1-Sep-23	
FED STEER (5-MKT AVG)	183.96	187.65	-2.0%	183.21	0.4%
CUTTER COW CARCASS, NATIONAL, 90% LEAN, 350-400 LB. (carcass wt.)	240.00	241.50	-0.6%	192.00	25.0%
BONER COW CARCASS, NATIONAL, 85% LEAN, 400-500 LB. (carcass wt.)	244.50	254.00	-3.7%	190.00	28.7%
BREAKER COW CARCASS, NATIONAL, 75% LEAN, 500+ (carcass wt.)	246.50	250.00	-1.4%	197.00	25.1%
CUTTER COW CARCASS CUTOUT, 5-DAY MA, USDA	294.18	294.84	-0.2%	244.13	20.5%

## 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
	30-Aug-24		23-Aug-24			1-Sep-23		
<b><u>US East Coast Australian/NZ Lean, CIF</u></b>								
<b>95 CL Bull, E. Coast</b>	308.0	308.0	310.0	-2.0	257.0	258.0	50.0	
<b>90 CL Blended Cow</b>	285.0	290.0	288.0	290.0	0.0	237.0	238.0	52.0
<b>90 CL Shank</b>	280.0	281.0	280.0	284.0	-3.0	235.0	237.0	44.0
<b>85 CL Fores</b>	270.0	271.0	272.0	273.0	-2.0	216.0	218.0	53.0
<b>85 CL Chucks</b>	UNQ		UNQ	N/A		UNQ	N/A	
<b>95 CL Bull, W. Coast</b>	308.0	309.0	310.0	-2.0	255.0	257.0	51.0	
<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>	270.0		271.0	-1.0	215.0	216.0	54.0	
<b>80 CL Trimmings</b>	240.0		240.0	0.0	200.0	205.0	35.0	
<b>75 CL Trimmings</b>	205.0		205.0	0.0		UNQ	N/A	
<b>65 CL Trimmings</b>	UNQ		UNQ	N/A		UNQ	N/A	
<b><u>US East Coast Australian Cuts, CIF</u></b>								
<b>Cap Off Steer Insides</b>	350.0	360.0	355.0	360.0	0.0	325.0	335.0	25.0
<b>Steer Insides 14/18</b>	UNQ		UNQ	N/A		UNQ	N/A	
<b>Steer Flats</b>	310.0	315.0		320.0	-5.0	290.0	295.0	20.0
<b>Steer Knuckles</b>	310.0	310.0	315.0	-5.0	295.0	305.0	5.0	

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

	Current Week		Prior Week		Change From Last Week	Last Year		Change From Last Year
	30-Aug-24	31-Aug-24	23-Aug-24	24-Aug-24		1-Sep-23	2-Sep-23	
<b><u>US East Coast Australian/NZ Lean, FOB US Port</u></b>								
<b>95 CL Bull, E. Coast</b>	315.0	317.0	318.0	321.0	-4.0	266.0	267.0	50.0
<b>90 CL Blended Cow</b>	295.0	297.0	297.0	298.0	-1.0	249.0	250.0	47.0
<b>90 CL Shank</b>	285.0	290.0	288.0	290.0	0.0	245.0		45.0
<b>85 CL Fores</b>	280.0	281.0		283.0	-2.0	227.0	228.0	53.0
<b>85 CL Chucks</b>		UNQ		UNQ	N/A		UNQ	N/A
<b>95 CL Bull, W. Coast</b>	315.0	316.0	317.0	319.0	-3.0	265.0	266.0	50.0
<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>		280.0		283.0	-3.0	226.0	227.0	53.0
<b>80 CL Trimmings</b>	245.0	246.0	247.0	248.0	-2.0	213.0	214.0	32.0
<b>75 CL Trimmings</b>	210.0	215.0		215.0	0.0	193.0	195.0	20.0
<b>65 CL Trimmings</b>		UNQ		UNQ	N/A		150.0	N/A
<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	350.0	360.0	15.0
<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	300.0	310.0	30.0
<b>Steer Knuckles</b>	325.0	330.0	325.0	330.0	0.0	310.0	315.0	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>30-Aug-24</b>			<b>23-Aug-24</b>				<b>1-Sep-23</b>			
<b><u>Domestic Cutouts</u></b>											
<b>Choice Cutout</b>	309.34			317.34			-8.0	314.49			-5.2
<b>Select Cutout</b>	295.82			300.46			-4.6	290.29			5.5
<b><u>Domestic Lean Grinding Beef</u></b>											
<b>90 CL Boneless</b>	372.0	381.5	375.9	372.0	381.5	375.4	0.5	300.0	324.0	308.5	67.4
<b>85 CL Beef Trimmings</b>	323.0	363.5	347.7	325.0	360.5	345.9	1.8	281.0	297.0	289.2	58.5
<b>50 CL Beef Trim</b>	103.0	188.0	138.7	133.0	185.0	160.7	-22.0	125.0	164.3	137.2	1.4
<b><u>Domestic Pork Trim</u></b>											
<b>42 CL Pork Trim</b>	65.0	100.5	70.4	69.4	114.9	80.4	-9.9	57.5	89.0	63.7	6.8
<b>72 CL Pork Trim</b>	83.0	117.6	90.0	84.0	119.8	93.5	-3.5	75.0	104.8	87.3	2.7
<b><u>Point of Lean Values</u></b>											
<b>90 CL Domestic</b>	417.7			417.1			0.6	342.8			74.9
<b>50 CL Beef Trimming</b>	277.3			321.4			-44.1	274.4			2.9
<b>42 CL Pork Trim</b>	167.7			191.3			-23.6	151.6			16.1
<b>72 CL Pork Trim</b>	125.0			129.8			-4.8	121.2			3.8
<b><u>National Direct Fed Steer</u></b> <b><u>(5-day accum. wt. avg. price)</u></b>	183.96			187.65			-3.7	183.21			0.8

### TABLE 5 – FUTURES AND SLAUGHTER INFORMATION

Futures Contracts	Current Week	Prior Week	Change From Last		Last Year	Change From Last Year
			Week	Week		
	<b>30-Aug-24</b>	<b>23-Aug-24</b>			<b>1-Sep-23</b>	
<u>Live Cattle Futures</u>						
August '24	185.850	182.575	↑	3.28	---	↓ #VALUE!
October '24	178.600	175.700	↑	2.90	180.150	↓ -1.55
December '24	177.550	175.200	↑	2.35	184.175	↓ -6.63
February '25	178.450	176.475	↑	1.98	188.325	↓ -9.87
<u>Feeder Cattle Futures</u>						
August '24	242.950	242.575	↑	0.38	248.930	↓ -5.98
September '24	240.475	238.575	↑	1.90	251.850	↓ -11.38
October '24	237.750	234.375	↑	3.38	254.650	↓ -16.90
November '24	235.250	231.600	↑	3.65	256.375	↓ -21.13
<u>Corn Futures</u>						
September '24	378.000	367.750	↑	10.25	464.750	↓ -86.75
December '24	401.000	391.000	↑	10.00	481.500	↓ -80.50
March '25	419.000	409.500	↑	9.50	496.500	↓ -77.50
May '25	428.250	420.000	↑	8.25	505.000	↓ -76.75
<u>Ch Wheat Futures</u>						
September '24	532 3/4	502 1/4	↑	30.50	567 1/2	↓ -34.75
December '24	551 1/2	528	↑	23.50	595 1/2	↓ -44.00
March '25	572 1/4	549	↑	23.25	685 1/4	↓ -113.00
May '25	583 3/4	560 3/4	↑	23.00	687 3/4	↓ -104.00

Slaughter Information	7 Days Ending	7 Days Ending	Change From Last		7 Days Ending	Change From Last Year
			Week	Week		
	<b>31-Aug-24</b>	<b>24-Aug-24</b>			<b>2-Sep-23</b>	
<u>Total Cattle Slaughter</u>	611,000	608,000	↑	3,000	630,700	↓ -19,700
	<b>17-Aug-24</b>	<b>10-Aug-24</b>			<b>19-Aug-23</b>	
<u>Total Cow Slaughter</u>	102,126	97,651	↑	4,475	123,000	↓ -20,874
<u>Dairy Cow Slaughter</u>	54,522	50,165	↑	4,357	59,800	↓ -5,278
<u>Beef Cow Slaughter</u>	47,604	47,486	↑	118	63,200	↓ -15,596



# TABLE 7 - US BEEF IMPORTS (Source: USDA/AMS)

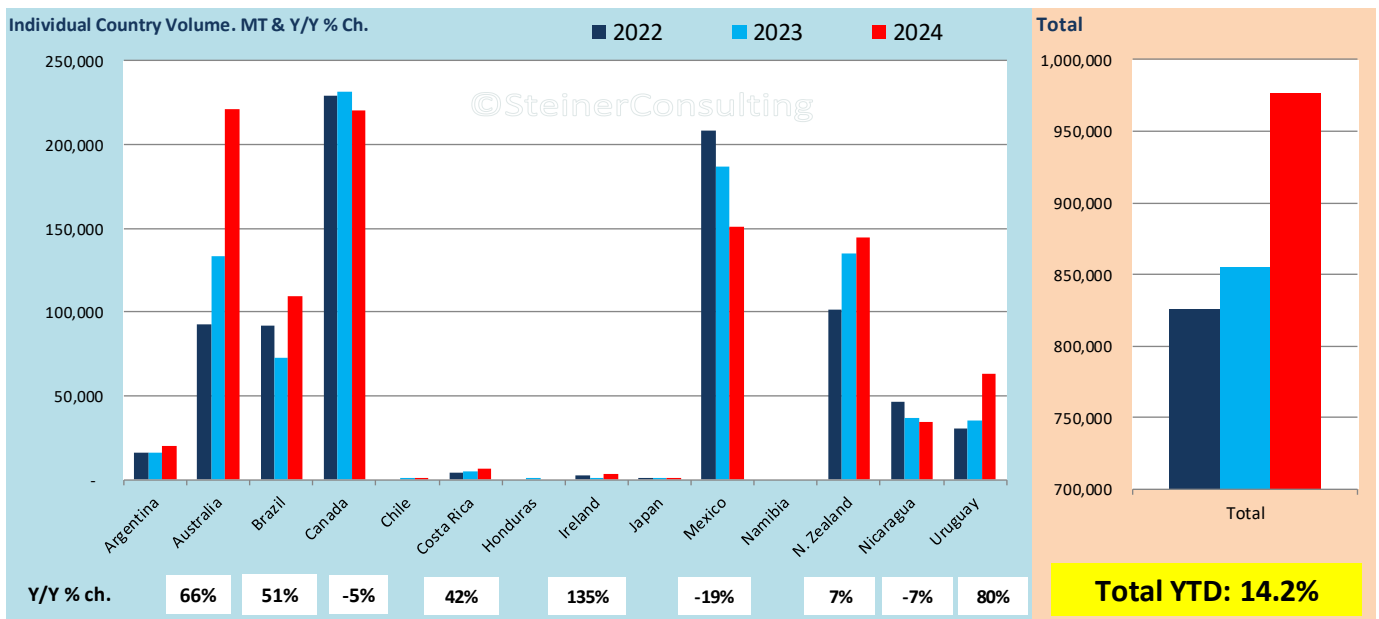
## YTD Imported Fresh/Frz Beef Passed for Entry in the US

week 35	9/2/2023	8/31/2024		
Argentina	16,104	20,459	4,355	27.0%
Australia	133,419	221,344	87,925	65.9%
Brazil	73,025	109,909	36,884	50.5%
Canada	231,420	220,278	(11,142)	-4.8%
Chile	20	1	(19)	-95.0%
Costa Rica	4,894	6,967	2,073	42.4%
France	-	-	-	
Honduras	19	-	(19)	-100.0%
Ireland	1,384	3,249	1,865	134.8%
Japan	966	1,014	48	5.0%
Mexico	186,774	150,745	(36,029)	-19.3%
Namibia	-	-	-	
Netherlands	-	-	-	
New Zealand	135,099	144,850	9,751	7.2%
Nicaragua	36,939	34,330	(2,609)	-7.1%
Spain	-	-	-	
Uruguay	35,080	63,153	28,073	80.0%
<b>Total</b>	<b>855,142</b>	<b>976,299</b>	<b>121,157</b>	<b>14.2%</b>

Source: AMS - USDA

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

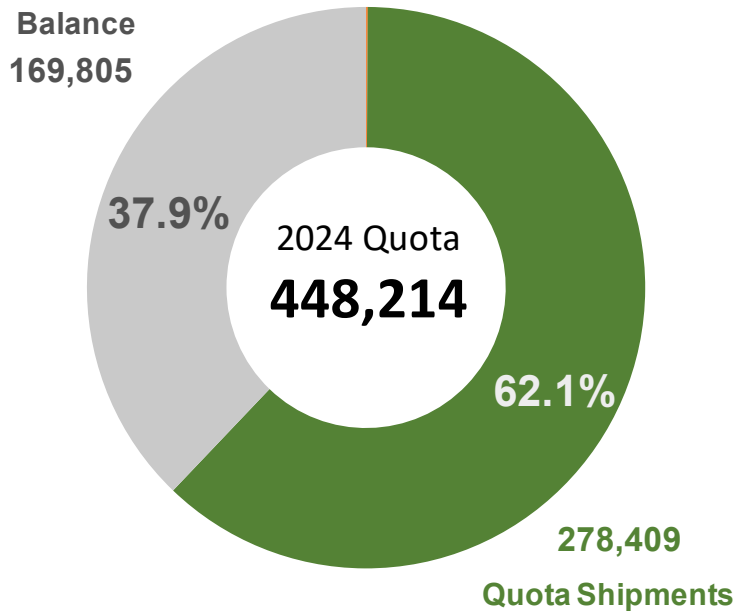
Imports as of August 31, 2024 Analysis by Steiner Consulting



# Australian Beef Quota Position

5-Sep-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 September 3. Metric Ton

Data source: US Customs. Analysis by Steiner Consulting

