



US Imported Beef Market

A Weekly Update

Prepared Exclusively for Meat & Livestock Australia - Sydney

Volume 25, Issue 37

September 27, 2024

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

Market Highlights for the Week:

- Operations in US East Coast and Gulf Coast ports may be suspended starting Tuesday unless contract disputes between unions and port operators are resolved. The impasse has already started impacting commerce as traders re-route loads and buyers hit the pause button on booking loads.
- Port of Philadelphia is by far the biggest entry point for US beef imports, accounting for about a third of all beef imports into the US in 2024. The Port of Houston has become increasingly important, with volume this year up 47% from a year ago, both due to more beef coming from Brazil but also imports from Australia up by more than 200% YTD through this port.
- US cow/bull slaughter last week was estimated at 120k head last week, 14% below year ago levels. Lower beef cow slaughter but also ongoing shortfall in dairy cow slaughter continues to limit cow slaughter.
- New Zealand beef exports in August were down by almost 11k MT, with the bulk of the decline due to lower shipments to China.
- Boneless beef inventory at the end of August was 354.5M pounds, 0.7% lower than a year ago and 13.7% lower than the five-year average.

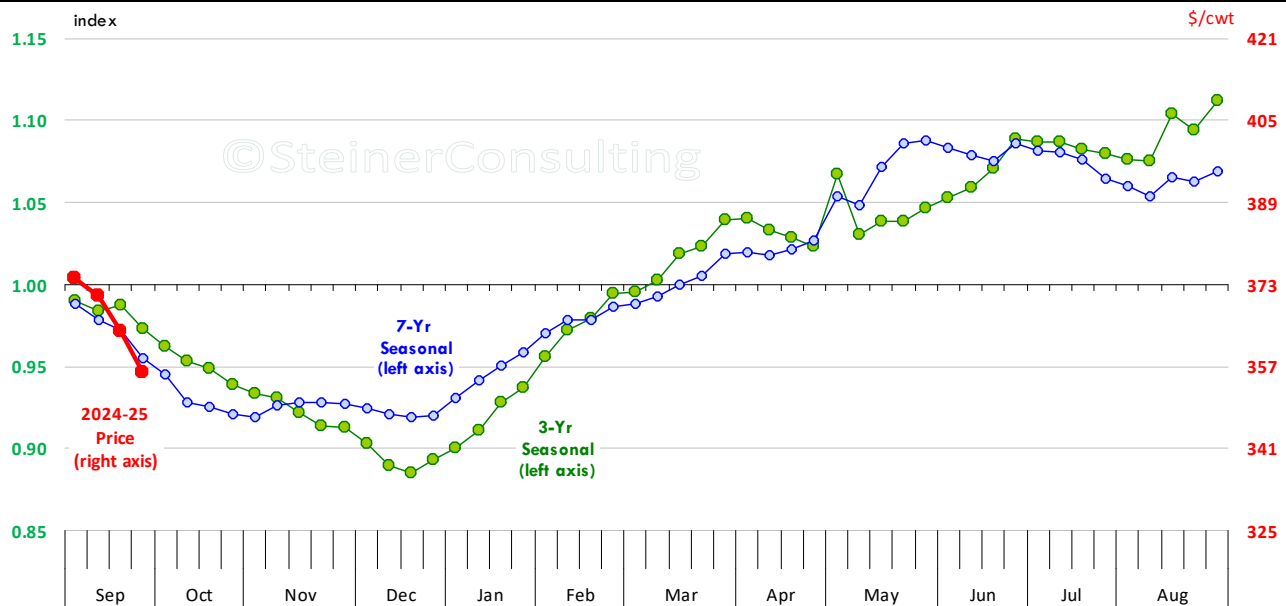
Imported Market Activity for the Week

Imported beef prices saw little movement during the week although the decline in domestic prices and memories of the sharp price correction in Q4 of last year have market participants sitting on edge (see page 2). The impending dockworker strike in ports across the East and Gulf Coast has injected a lot of uncertainty and already has started to disrupt business (page 3 for share of imports going through various border crossings in US).

Traders/importers are spending time rerouting loads. Getting new business done during this time is more difficult even as most think the issue should be resolved in short order. For now the expectation is that the administration will let the union make its point before it intervenes. There's estimates out there that a disruption costs about \$5 billion a day so it is hard to conceive that government will allow it to last more than a few days. But with elections around the corner and the current

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



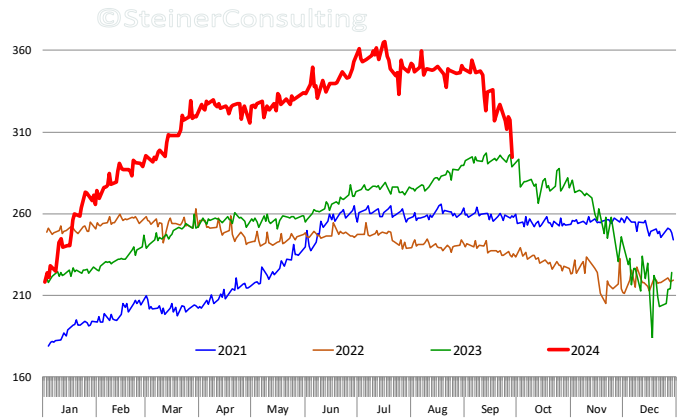
administration looking to court union votes, the decision to intervene presents significant political landmines.

Market notes

- Last week we noted the trend in New Zealand slaughter and the impact this likely has had on exports and the August shipment figures confirmed that. Total New Zealand exports of fresh/frozen beef in August were 30,688, almost 11k MT (-26%) vs. a year ago. Exports to China, once the top market for New Zealand beef, registered the biggest decline. Shipments to that market in August were down 8k MT (-55%) while exports to the US at 11,910 MT were down 13%. Exports to Japan and S. Korea were down 27% and 38%, respectively. Last year shipments to the US found a bottom in October before moving higher and the same trend is expected this year, implying the supply of New Zealand product will be limited for the next couple of months.
- Australian shipments to the US have slowed down but they still remain historically large. With only a few days of reported shipments left, we are currently projecting Australian exports to the US to be around 37k MT, 51% higher than a year ago. Total exports are currently on pace to reach 114k MT, 15% above year ago levels. Australian cattle slaughter in the four weeks ending September 20 averaged near 137k head/week (Eastern states), 10% higher than a year ago. Our current estimates are for Australian shipments to the US market in 2024 to be around 375k MT, 53% higher than a year ago.
- As we noted a week ago, the price of 85CL boneless beef has posted sharp declines recently and that trend continued last week. The average price for the week was \$313, \$11/cwt lower than a week ago but still about \$20/cwt higher than last year. However, prices were trending lower for much of the week and by Friday this product was quoted under \$300 and very close to last year's levels. Day to day pricing tends to be volatile and the lower Friday trend could reflect a seller stuck with extra product and dumping it at the end of the week.

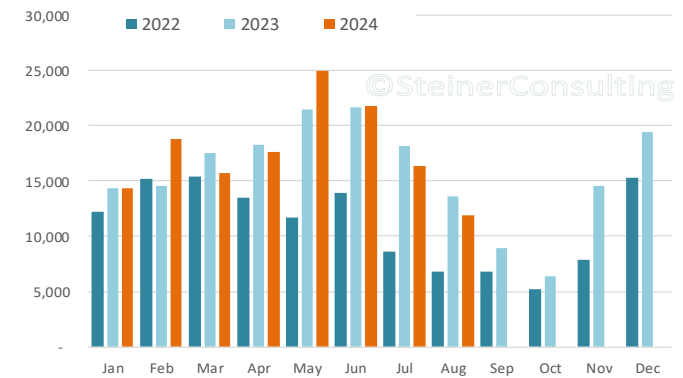
85CL Boneless Beef. Domestic. Fresh. Daily Prices. US\$/cwt

Source: USDA-AMS. Analysis by Steiner Consulting



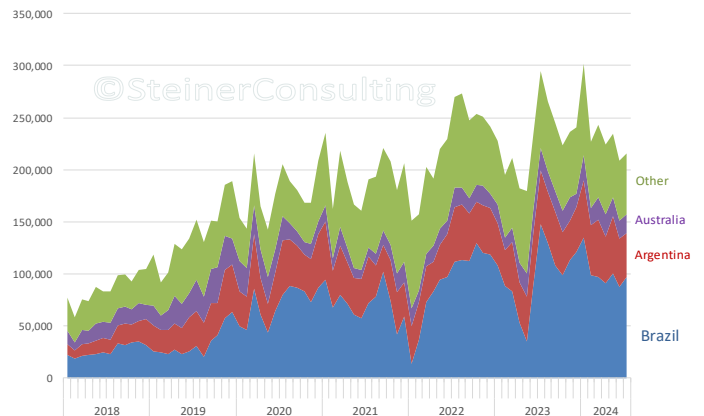
New Zealand Monthly Shipments of Fresh/Frozen Beef to the US. MT

Data Source: Stats NZ. Analysis by Steiner Consulting



Chinese Monthly Beef Imports: Brazil, Argentina, Australia + Other

Source: Chinese Customs. Data in Metric Ton. Fresh/Frozen Beef Only. Analysis by Steiner Consulting

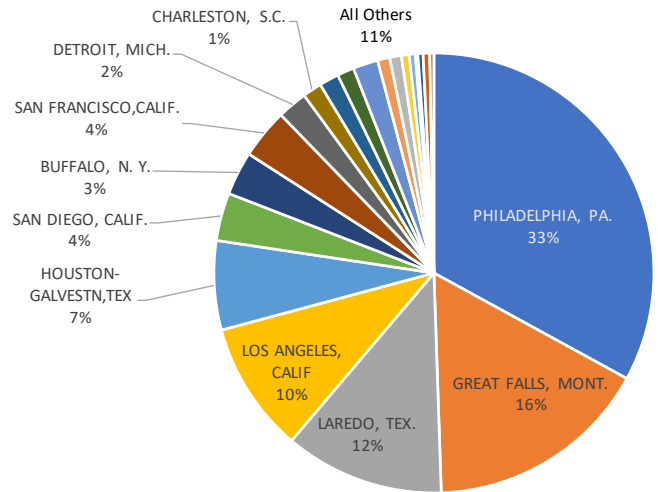


However, the trend in chart above is unmistakable. The lower prices of 85CL points to a notable slowdown in ground beef sales, which is something we invariably see during this time of year. The chart on page 1 illustrates the trend in domestic 90CL beef values relative to the seasonal trend in the last 3 and 7 years. During 2023-24 price declines outpaced the seasonal tendency during Sep-Dec but then outper-

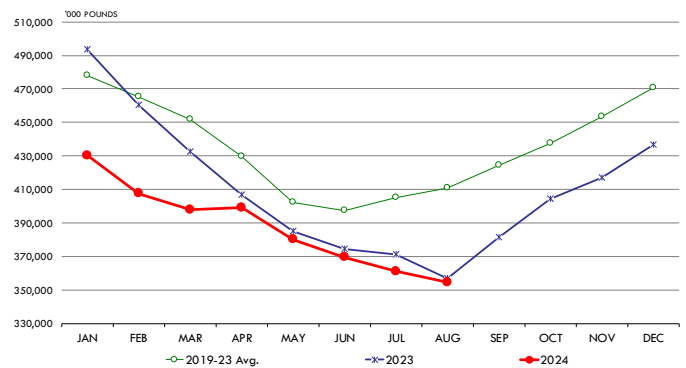
formed during spring and summer. Supply availability and broader demand (economy, competing proteins) are additional factors that will impact pricing.

- It is not a surprise for those trading beef in the US that the port of Philadelphia is by far the biggest entry point for imported beef. Through July, beef imports through Philly were 283,834 MT, a 36% increase from a year ago and more than a third of the overall volume of beef imported during this period. The other two main entry points for beef imports were in Montana (Canadian beef) and Laredo Texas (Mexican beef). Most beef imports coming into the West Coast enter through the port of Los Angeles. The port of Houston has become increasingly important, with imports so far this year pegged at 56,485 MT, a 47% increase from a year ago. Almost half of product coming through this port were Brazilian origin. Interestingly, imports from Australia entering through this port were 11,533 MT YTD, a 226% increase from a year ago, reflecting the demand for lean grinding beef in the South.
- Beef inventory in cold storage continued to decline in August and the drawdown in inventory was higher than normal for this time of year. All beef inventory at 395.2M pounds was down 0.1% vs. year ago and 12% lower than the five-year average. So far, the drawdown and overall inventory levels are following last year's trend. Total beef inventory drawdown was 1.8% in August. This compares to an increase of 2% long term. Boneless beef inventory at the end of August was 354.5M pounds, 0.7% lower than a year ago and 13.7% lower than the five-year average. The drawdown in boneless beef inventories was 1.8%, while the long run average is for inventories to increase in August.

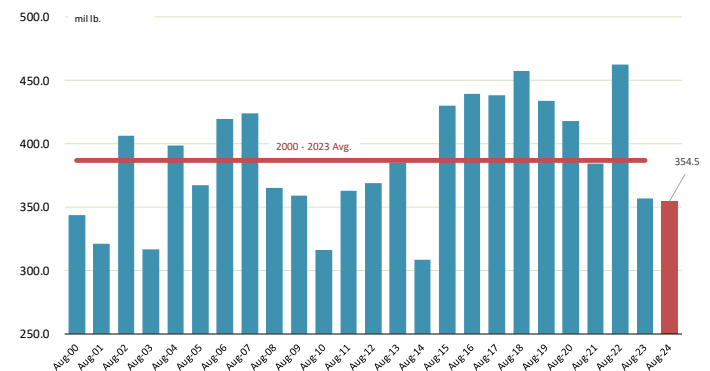
YTD Beef Imports by Border Crossing (Waterborne and Land). Metric Ton. Data source: USDA-FAS. Analysis by Steiner Consulting



MONTHLY VOLUME OF BONELESS BEEF IN COLD STORAGE. Y/Y Comparison, '000 pounds. Data source: USDA-NASS. Analysis by Steiner Consulting



INVENTORY OF BONELESS BEEF AT END OF AUGUST. MILLION LB. Source: USDA-NASS. Analysis by Steiner Consulting

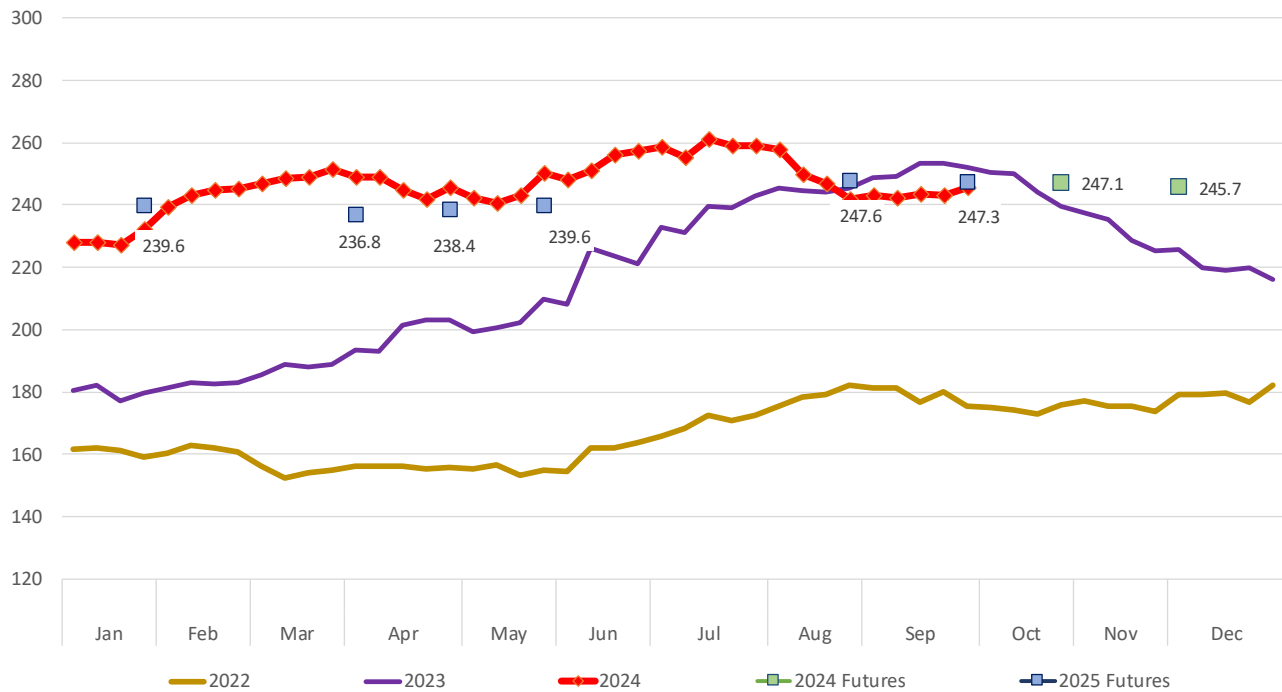


CME Cattle Feeder Index and US Cattle Markets

	Current Week	Prior Week	% CHANGE VS. WK AGO	Last Year	Change from Last Year
	26-Sep-24	19-Sep-24		28-Sep-23	
CME FEEDER CATTLE INDEX	245.53	243.26	0.9%	252.11	-2.6%
	27-Sep-24	20-Sep-24		29-Sep-23	
FED STEER (5-MKT AVG)	185.18	182.97	1.2%	184.10	0.6%
CUTTER COW CARCASS, NATIONAL, 90% LEAN, 350-400 LB. (carcass wt.)	231.50	235.50	-1.7%	186.50	24.1%
BONER COW CARCASS, NATIONAL, 85% LEAN, 400-500 LB. (carcass wt.)	237.50	245.00	-3.1%	189.50	25.3%
BREAKER COW CARCASS, NATIONAL, 75% LEAN, 500+ (carcass wt.)	233.00	239.50	-2.7%	198.50	17.4%
CUTTER COW CARCASS CUTOUT, 5-DAY MA, USDA	278.30	282.03	-1.3%	239.11	16.4%

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
	27-Sep-24	31-Sep-24	20-Sep-24	24-Sep-24		29-Sep-23	30-Sep-23	
<u>US East Coast Australian/NZ Lean, CIF</u>								
95 CL Bull, E. Coast	310.0	312.0	310.0	312.0	0.0	260.0	265.0	47.0
90 CL Blended Cow	285.0	286.0	285.0	287.0	-1.0	240.0	245.0	41.0
90 CL Shank	280.0	281.0		280.0	1.0	240.0	245.0	36.0
85 CL Fores	271.0	273.0	271.0	272.0	1.0	228.0	230.0	43.0
85 CL Chucks		UNQ		UNQ	N/A		UNQ	N/A
95 CL Bull, W. Coast	310.0	311.0	310.0	311.0	0.0	260.0	265.0	46.0
Uruguay CFH 90CL, E. Coast		UNQ		UNQ	N/A		UNQ	N/A
<u>US East Coast, Trimmings, CIF</u>								
85 CL Trimmings		270.0	269.0	270.0	0.0	225.0	228.0	42.0
80 CL Trimmings	235.0	236.0	235.0	238.0	-2.0	207.0	210.0	26.0
75 CL Trimmings	195.0	198.0	195.0	200.0	-2.0	185.0	190.0	8.0
65 CL Trimmings		UNQ		UNQ	N/A		UNQ	N/A
<u>US East Coast Australian Cuts, CIF</u>								
Cap Off Steer Insides	355.0	360.0	340.0	350.0	10.0	330.0	335.0	25.0
Steer Insides 14/18		UNQ		UNQ	N/A		UNQ	N/A
Steer Flats	320.0	321.0	315.0	320.0	1.0	285.0	290.0	31.0
Steer Knuckles		320.0	315.0	320.0	0.0		290.0	30.0

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

	Current Week		Prior Week		Change From Last Week	Last Year		Change From Last Year
	27-Sep-24	30-Sep-24	20-Sep-24	23-Sep-24		29-Sep-23	29-Sep-23	
<u>US East Coast Australian/NZ Lean, FOB US Port</u>								
95 CL Bull, E. Coast	318.0	320.0	317.0	319.0	1.0	275.0	276.0	44.0
90 CL Blended Cow	293.0	295.0	295.0	296.0	-1.0	257.0	258.0	37.0
90 CL Shank	285.0	290.0		290.0	0.0	255.0	260.0	30.0
85 CL Fores	276.0	278.0	278.0	279.0	-1.0	240.0	241.0	37.0
85 CL Chucks		UNQ		UNQ	N/A		UNQ	N/A
95 CL Bull, W. Coast	318.0	319.0	317.0	318.0	1.0	274.0	275.0	44.0
Uruguay CFH 90CL, E. Coast		UNQ		UNQ	N/A		UNQ	N/A
<u>US East Coast, Trimmings, FOB US Port</u>								
85 CL Trimmings	275.0	276.0	276.0	277.0	-1.0	238.0	240.0	36.0
80 CL Trimmings	245.0	246.0	246.0	247.0	-1.0	218.0	220.0	26.0
75 CL Trimmings	210.0	212.0	210.0	212.0	0.0	195.0	200.0	12.0
65 CL Trimmings		UNQ		UNQ	N/A		UNQ	N/A
<u>US East Coast Australian Cuts, FOB US Port</u>								
Cap Off Steer Insides	370.0	380.0	365.0	370.0	10.0	345.0	355.0	25.0
Steer Insides 14/18		UNQ		UNQ	N/A		UNQ	N/A
Steer Flats	325.0	330.0	320.0	330.0	0.0	290.0	295.0	35.0
Steer Knuckles	335.0	340.0	330.0	335.0	5.0		300.0	40.0

TABLE 4 – US DOMESTIC BEEF AND CATTLE PRICES

	Current Week			Prior Week			Change From Last Week	Last Year	Change from Last Year		
	27-Sep-24			20-Sep-24				29-Sep-23			
	Low	High	Wt.Avg	Low	High	Wt.Avg		Low	High	Wt.Avg	
<u>Domestic Cutouts</u>											
Choice Cutout	296.69			300.19			-3.5	300.78			-4.1
Select Cutout	282.08			288.59			-6.5	276.04			6.0
<u>Domestic Lean Grinding Beef</u>											
90 CL Boneless	340.0	374.5	355.7	345.0	377.5	363.8	-8.1	290.0	314.5	303.8	51.9
85 CL Beef Trimmings	283.0	333.0	313.2	290.0	348.5	324.3	-11.0	275.5	304.5	293.1	20.1
50 CL Beef Trim	60.0	99.5	80.3	67.0	130.0	97.2	-16.9	100.0	145.0	124.0	-43.7
<u>Domestic Pork Trim</u>											
42 CL Pork Trim	60.3	89.0	68.8	51.0	85.0	62.8	5.9	63.0	96.0	66.8	2.0
72 CL Pork Trim	85.2	113.6	88.4	75.0	103.8	86.4	2.0	83.6	113.8	91.3	-2.9
<u>Point of Lean Values</u>											
90 CL Domestic	395.2			404.2			-9.0	337.6			57.6
50 CL Beef Trimming	160.6			194.4			-33.8	248.1			-87.5
42 CL Pork Trim	163.7			149.6			14.1	159.0			4.8
72 CL Pork Trim	122.8			120.0			2.8	126.8			-4.0
<u>National Direct Fed Steer</u> <u>(5-day accum. wt. avg. price)</u>	185.18			182.97			2.2	184.10			1.1

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
	27-Sep-24	20-Sep-24			29-Sep-23		
<u>Live Cattle Futures</u>							
October '24	183.750	182.475	↑	1.28	184.200	↓	-0.45
December '24	184.475	183.200	↑	1.28	187.925	↓	-3.45
February '25	185.550	183.775	↑	1.78	192.500	↓	-6.95
April '25	186.400	184.475	↑	1.93	195.500	↓	-9.10
<u>Feeder Cattle Futures</u>							
October '24	247.075	243.900	↑	3.18	252.475	↓	-5.40
November '24	245.700	241.775	↑	3.93	254.900	↓	-9.20
January '25	239.600	236.775	↑	2.82	258.050	↓	-18.45
March '25	236.800	235.050	↑	1.75	261.275	↓	-24.48
<u>Corn Futures</u>							
December '24	418.000	401.750	↑	16.25	476.750	↓	-58.75
March '25	435.000	420.000	↑	15.00	491.750	↓	-56.75
May '25	444.750	431.000	↑	13.75	500.500	↓	-55.75
July '25	450.500	437.750	↑	12.75	505.500	↓	-55.00
<u>Ch Wheat Futures</u>							
December '24	580	568 1/2	↑	11.50	541 1/2	↑	38.50
March '25	600 1/4	587 1/2	↑	12.75	664	↓	-63.75
May '25	611 1/4	598 1/4	↑	13.00	671 1/4	↓	-60.00
July '25	616 1/4	603 3/4	↑	12.50	661 1/4	↓	-45.00

Slaughter Information	7 Days Ending	7 Days Ending	Change From Last		7 Days Ending	Change From	
			Week	Week		Last Year	Last Year
	28-Sep-24	21-Sep-24			30-Sep-23		
<u>Total Cattle Slaughter</u>	612,000	610,000	↑	2,000	611,800	↑	200
	14-Sep-24	7-Sep-24			16-Sep-23		
Total Cow Slaughter	106,425	94,765	↑	11,660	124,300	↓	-17,875
Dairy Cow Slaughter	51,255	47,748	↑	3,507	56,900	↓	-5,645
Beef Cow Slaughter	55,170	47,017	↑	8,153	67,400	↓	-12,230

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

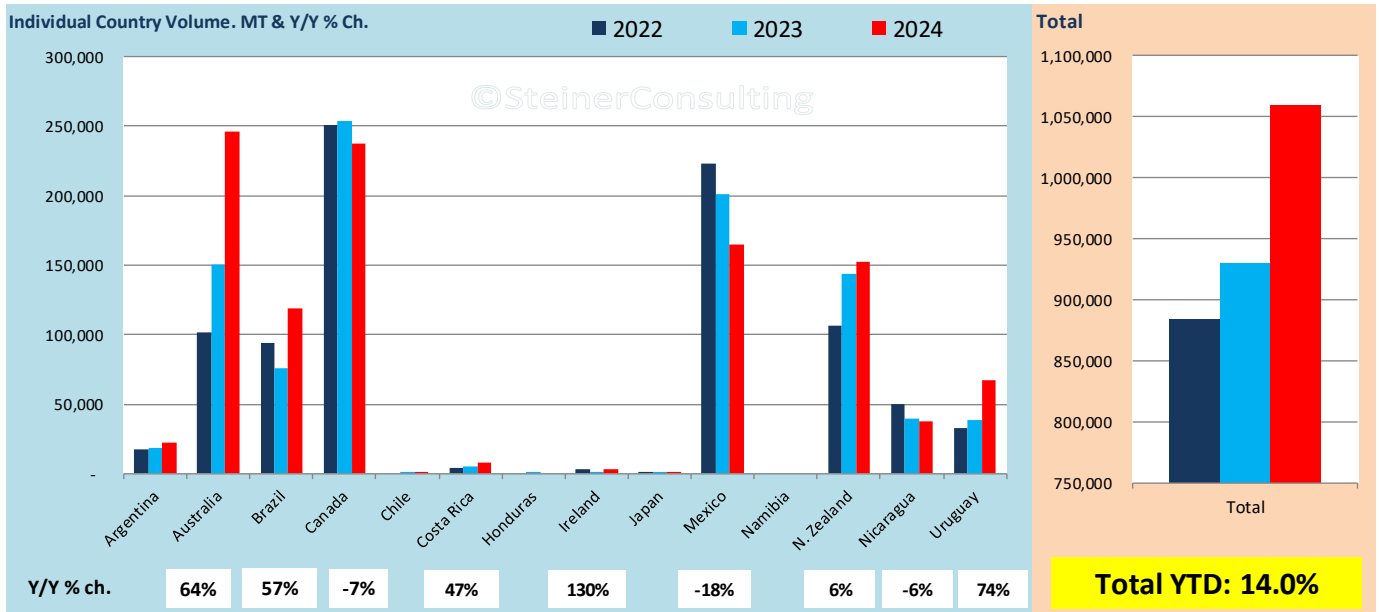
YTD Imported Fresh/Frz Beef Passed for Entry in the US

week 38	9/23/2023	9/21/2024		
Argentina	18,294	22,120	3,826	20.9%
Australia	150,688	246,525	95,837	63.6%
Brazil	75,841	118,932	43,091	56.8%
Canada	254,147	237,461	(16,686)	-6.6%
Chile	20	1	(19)	-95.0%
Costa Rica	5,247	7,708	2,461	46.9%
France	-	-	-	
Honduras	19	-	(19)	-100.0%
Ireland	1,504	3,461	1,957	130.1%
Japan	1,030	1,084	54	5.2%
Mexico	200,801	164,963	(35,838)	-17.8%
Namibia	-	-	-	
Netherlands	-	-	-	
New Zealand	143,531	152,688	9,157	6.4%
Nicaragua	39,856	37,656	(2,200)	-5.5%
Spain	-	-	-	
Uruguay	38,618	67,386	28,768	74.5%
Total	929,595	1,059,985	130,390	14.0%

Source: AMS - USDA

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

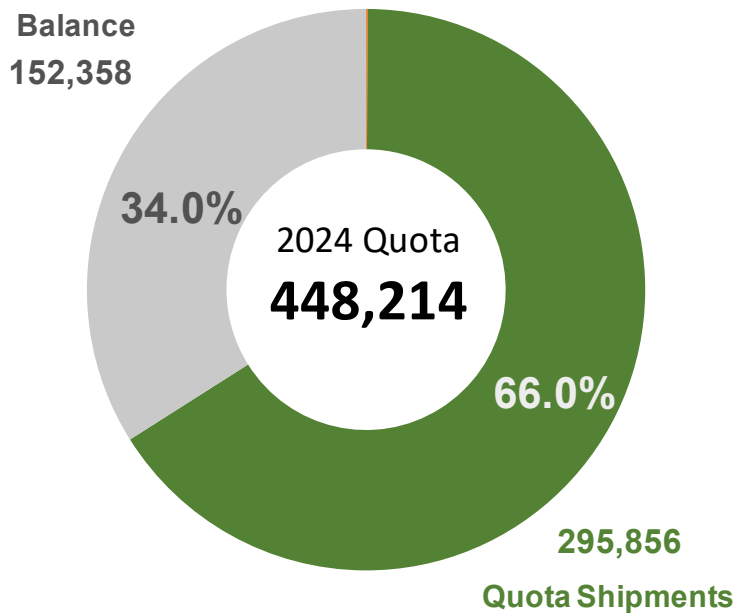
Imports as of September 21, 2024 Analysis by Steiner Consulting



Australian Beef Quota Position

19-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 24. Metric Ton

Data source: US Customs. Analysis by Steiner Consulting

