Global Beef Market Monthly Review

November 12, 2024 Volume 6, Issue 10 Prepared by: Steiner Consulting Group, 800-526-4612

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Highlights

China: Chinese imports have been lower than a year ago in four consecutive months. During Jun-Sep, imports were down a combined 166k MT. Still, imports are projected to be slightly higher for the year and initial estimates are for imports to be steady in 2025. Chinese consumers have pulled back on spending, but more government stimulus is expected to keep the economy afloat and support imports, or at least prevent them from collapsing.

Japan: Japanese cattle slaughter in September was up 10% from the previous month but about unchanged from a year ago. Beef imports declined from the lofty levels registered in August, down by more than 10k MT (-22%) but the volume imported was still about 3% higher than last year. Imported beef stocks were lower in September, reflecting the decline in imports from August levels. Imported beef stocks at 144.5k MT were about 1% higher than year ago.

S. Korea: Little has changed in our assessment, with imports so far this year down 4% and expected to be down 3.3% 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: We have revised up beef import projections based on the pace of shipments from Australia, Brazil and other South American countries. Current forecast is for US imports in 2024 to be up 22%. USDA projections currently have beef imports in 2024 up 21% y/y.

Brazil: The pace of export shipments accelerated in August and September. September exports at 251,756 MT were 29% higher than a year ago, with the bulk of the increase going to the Chinese market. Exports to the US have accelerated and we expect shipments to the US to surpass 160k MT.

Argentina: Slaughter continues to track below year ago levels but the weak currency and robust demand in key markets has resulted in higher exports.

Main Global Meat Trading Countries, Both Export and Import, MT

Data sources: Various. Analysis and Forecasts by Steiner Consulting

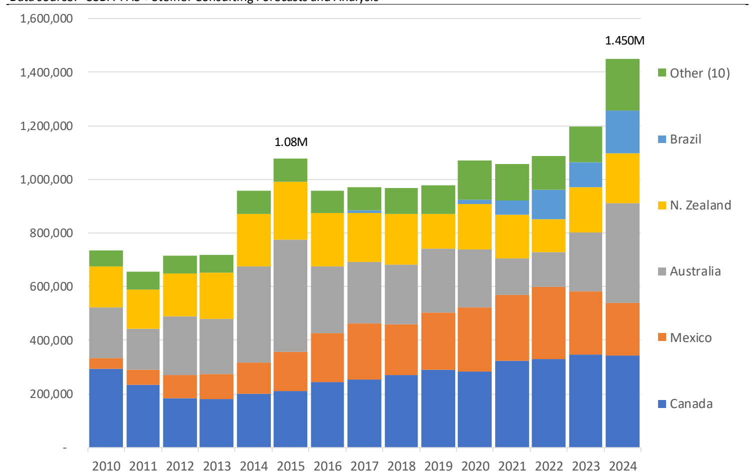
Countries	% of global trade	Most Recent Trade Data		Y/Y Ch.	Y/Y % ch.	2023	2024 Estimate	Y/Y Ch.	Y/Y % ch.
EXPORTS						5,227,711	6,031,001	803,290	15.4%
Australia	11%	Sep 2024	114,046	15,333	16%	1,082,405	1,331,359	248,953	23.0%
Argentina	6%	Sep 2024	71,876	22,044	44%	683,397	742,169	58,772	8.6%
New Zealand	6%	Sep 2024	28,149	-3,766	-12%	497,609	500,800	3,191	0.6%
Brazil	20%	Oct 2024	268,486	82,304	44%	1,996,585	2,517,990	521,405	26.1%
USA	14%	Aug 2024	75,428	-7,205	-9%	967,714	938,682	-29,031	-3.0%
IMPORTS						5,005,310	5,330,163	324,853	6.5%
USA	15%	Aug 2024	136,097	29,312	27%	1,194,175	1,462,865	268,689	22.5%
China	30%	Sep 2024	218,202	-26,835	-11%	2,736,186	2,790,949	54,763	2.0%
Hong Kong	4%	Sep 2024	9,354	771	9%	96,565	98,980	2,414	2.5%
Japan	8%	Sep 2024	38,172	1,128	3%	503,964	520,091	16,127	3.2%
S. Korea	6%	Sep 2024	38,553	1,739	5%	474,419	457,279	-17,140	-3.6%

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

North America Market Update

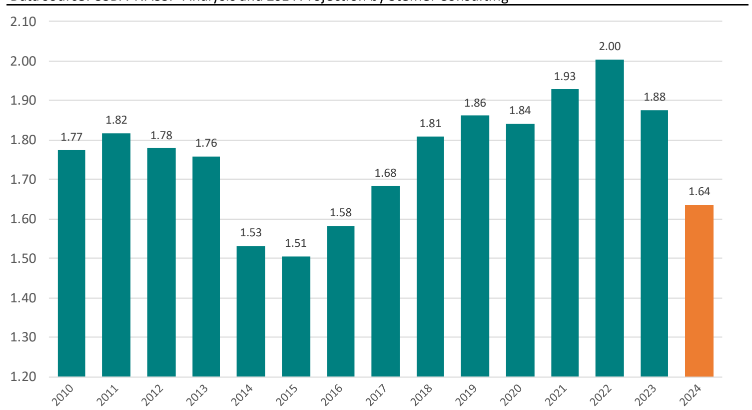
US Imports of Fresh/Frozen Beef 2010-2023 + Steiner Projections for 2024. Metric Ton. Product Wt. Basis

Data source: USDA-FAS + Steiner Consulting Forecasts and Analysis



US Cow Meat Production in Million MT. Carcass wt. basis

Data source: USDA-NASS. Analysis and 2014 Projection by Steiner Consulting



United States: US beef imports have been significantly higher in the second half of the year. This surge in imports is not coincidental; it followed record-high 90CL boneless beef prices during the summer. Cow slaughter in the US have declined sharply this year and that is expected to continue in 2025. Through September US cow slaughter was 4.2 million head and we think for all of 2024 slaughter will be around 5.6 million head, down 984k head (-15%) compared to a year ago. The decline is due to both lower beef and dairy cow slaughter although the decline in beef cow slaughter has accounted for a larger share. Cows have been coming to market at heavier weights than a year ago, with some producers sending cows through feedlots before going to market. The average weight of cow carcasses so far this year has been over 641 pounds, 12 pounds (+1.8%) higher than a year ago. The result is a shortfall in cow meat production (on a carcass weight basis) of 240k MT, 13% lower than a year ago.

The shortfall in cow meat production has resulted in record lean beef prices in the U.S. market. Combined with the strong U.S. dollar, this has more than offset any out-of-quota tariffs. Brazilian beef shipments to the U.S. filled the available quota back in March, yet exports in July and August were sharply higher. In September, U.S. beef imports from Brazil totaled 15,386 MT (all subject to a 26.4% tariff), an increase of 107% compared to a year ago. October imports are likely even higher, with preliminary data indicating over 16,000 MT from Brazil, up 280% from last year.

While Brazil has contributed to the supply, the bulk of the import increase came from Australia, the top supplier, with 37,292 MT, a 61% increase from last year. Through September, imports from Australia reached 249,000 MT, more than 100,000 MT (+69%) higher than last year. The last time imports from Australia were this high was in 2015, with products entering tariff-free due to the free trade agreement. Imports were also up from smaller markets, including Paraguay, which only gained approval to ship this year. Imports from Paraguay through September exceeded 10,000 MT, adding to the supply from traditional suppliers.

Our current projections put total US imports of fresh/frozen beef for 2024 at 1.45 million MT, +20% vs. a year ago and well above the previous cyclical high in 2015.

Mexico: Beef production has largely followed seasonal trends, and we expect this to continue into the holiday season. Although drought conditions have eased somewhat, they still impact producers, particularly in the Northern states. Total beef production in September was 194,756 metric tons (MT), up 1.8% from a year ago. Through September, beef production in Mexico reached 1.667 million MT, 2.1% higher than a year ago, aligning with projections for beef supply growth in 2024.

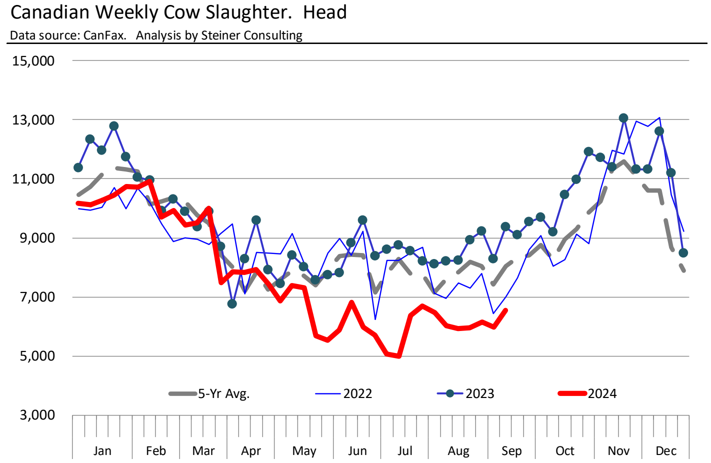
Despite increased production, Mexican beef exports remain well below last year's levels. Through July (the latest available data), Mexican beef exports were 17% lower than the previous year, with shipments to the U.S.—the top market—down 12%, and shipments to Japan down 4%. The sharp decline in the Mexican Peso's value could encourage more beef exports, but it has not yet reversed the downward trend. USDA data, which is more up-to-date, shows that between August and October, U.S. imports of Mexican beef totaled 56,870 MT, down 8.5% from a year ago..

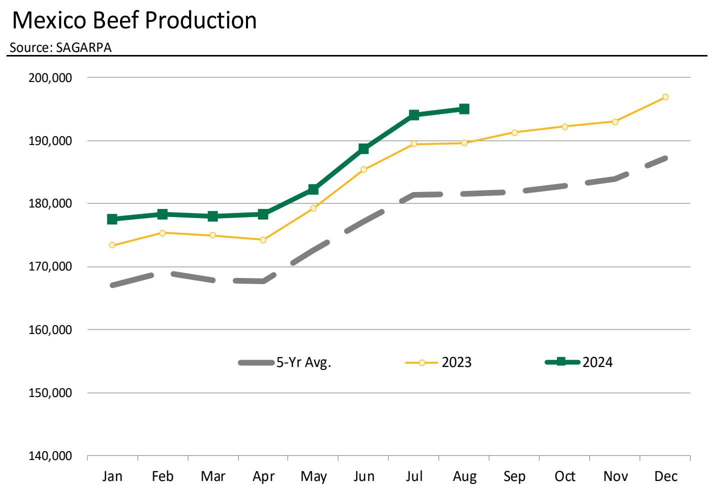
Canada: Cow slaughter in Canada has been below year-ago levels for much of the year. Between May and October (see chart), weekly slaughter averaged just over 6,000 head per

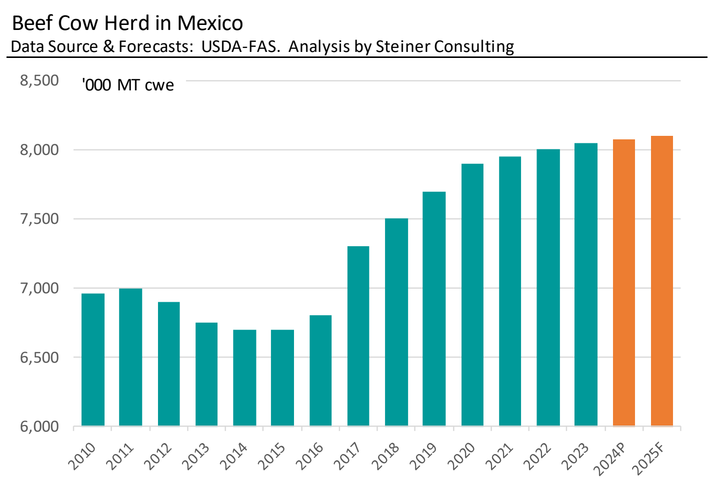
North America (continued)

week, 27% lower than a year ago. The situation in Canada has largely mirrored that in the U.S., with low cow inventories, a drive to limit the cull rate due to strong returns, and reduced drought stress allowing producers to cut back on slaughter. Seasonally, however, slaughter typically increases in Q4 as producers cull cows ahead of winter. This year is no different, and weekly slaughter is likely to exceed 9,000 head. Nevertheless, slaughter is expected to remain below last year's levels, resulting in a tight supply of lean grinding beef and strong demand for beef imports.

Limited supply and higher prices have driven increased imports from Australia and New Zealand, while imports from the U.S. remain well below last year. Most beef imports from the U.S. are chilled and serve major metro areas in the East (Toronto) and West (Vancouver). Chilled beef imports from the U.S. through October 19 totaled nearly 45,000 MT, down 12% year-over-year, while frozen imports were 8,700 MT, down 5%. On the other hand, imports of chilled beef from Australia, at 5,000 MT, nearly doubled from last year's volume, and frozen imports, at 17,000 MT, were up 64%. Imports of frozen beef from Uruguay and other markets totaled 26,755 MT, 18% higher than a year ago. Despite increased imports from Australia, it is unlikely that the available quota will be fully utilized this year.



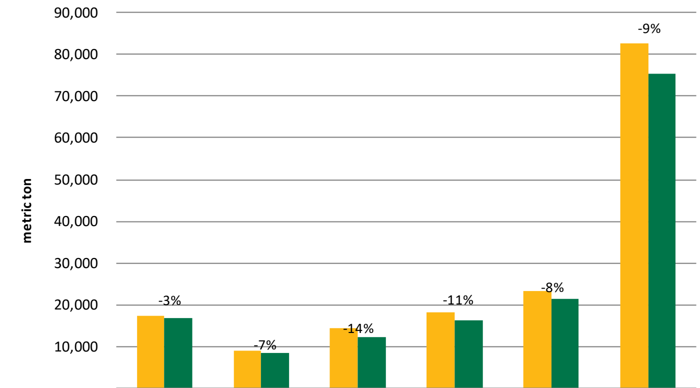




North America Trade Statistics

USA Fresh/Frozen Beef Exports

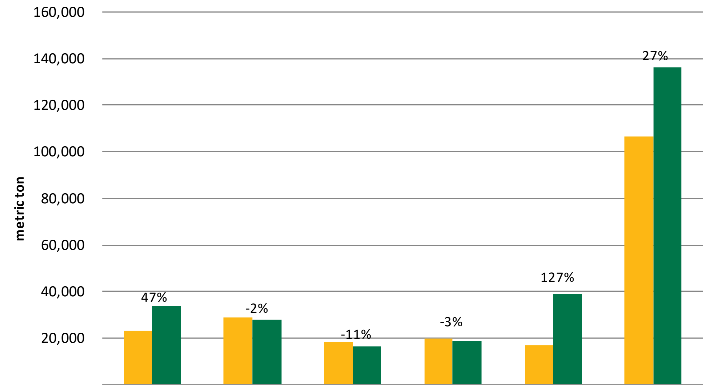
Latest Data for August   Units: Metric Tons



	Japan	Mexico	China	Korea, South	Other	World Total
Aug-23	17,419	9,071	14,412	18,320	23,410	82,633
Aug-24	16,902	8,405	12,359	16,309	21,454	75,428
Y/Y Diff.	-3%	-7%	-14%	-11%	-8%	-9%

USA Fresh/Frozen Beef Imports

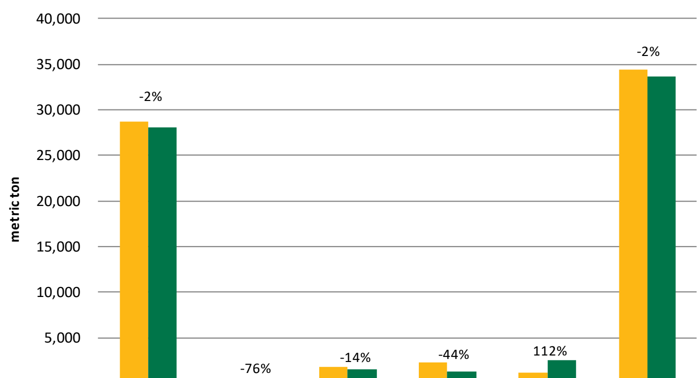
Latest Data for August   Units: Metric Tons



	Australia	Canada	New Zealand	Mexico	Other	World Total
Aug-23	23,132	28,709	18,235	19,587	17,123	106,785
Aug-24	33,923	28,053	16,260	19,078	38,783	136,097
Y/Y Diff.	47%	-2%	-11%	-3%	127%	27%

Canada Fresh/Frozen Beef Exports

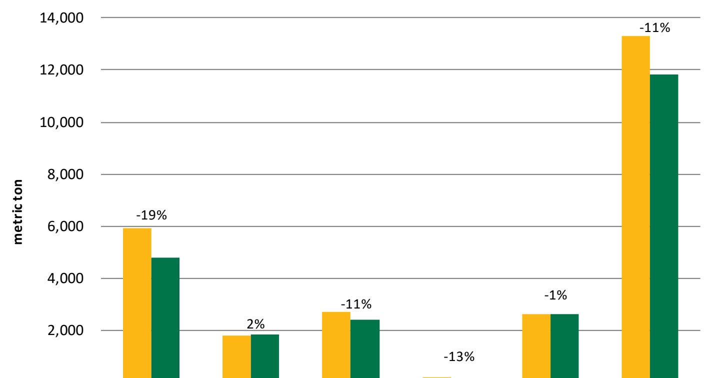
Latest Data for August   Units: Metric Tons



	USA	Hong Kong	Mexico	Japan	Other	Total
Aug-23	28,707	333	1,848	2,265	1,235	34,388
Aug-24	28,053	81	1,595	1,260	2,613	33,601

Canada Fresh/Frozen Beef Imports

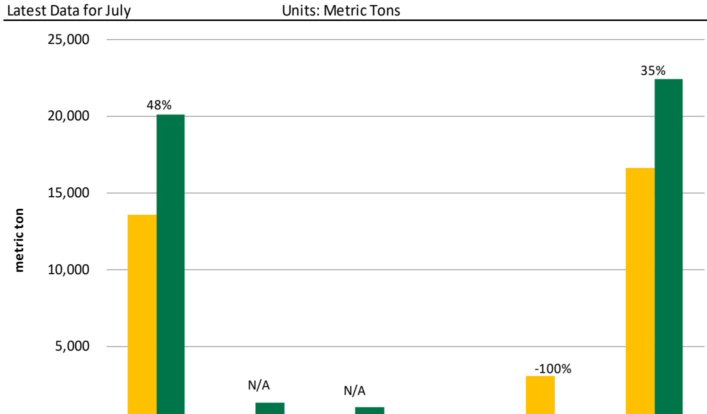
Latest Data for August   Units: Metric Tons



	U.S.A.	Australia	New Zealand	Uruguay	Other	Total
Aug-23	5,923	1,807	2,735	203	2,637	13,305
Aug-24	4,788	1,841	2,421	176	2,613	11,839

Mexico Fresh/Frozen Beef Exports

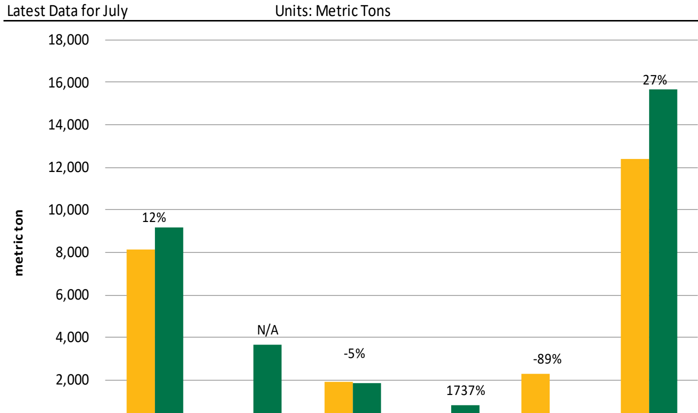
Latest Data for July   Units: Metric Tons



	USA	Japan	Canada	South Korea	Other	World Total
Jul-23	13,547	-	-	-	3,024	16,571
Jul-24	20,058	1,332	994	28	-	22,412
Y/Y Diff.	48%	0%	0%	0%	-100%	35%

Mexico Fresh/Frozen Beef Imports

Latest Data for July   Units: Metric Tons



	USA	Brazil	Canada	Argentina	Other	World Total
Jul-23	8,155	-	1,917	44	2,262	12,378
Jul-24	9,154	3,653	1,825	807	255	15,693
Y/Y Diff.	12%	0%	-5%	1737%	-89%	27%

South America Market Update

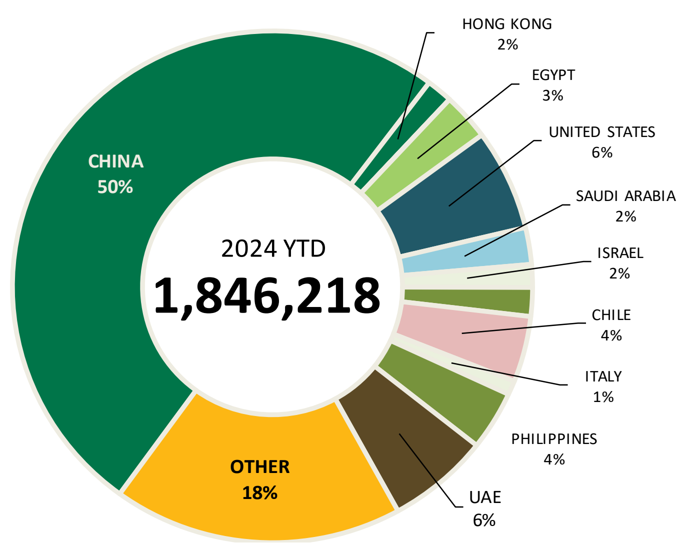
Brazil: Brazil faces an out-of-quota tariff in the U.S. market for any volume exceeding 65,000 MT. However, this has done little to deter shipments to the U.S. In September, shipments exceeded 20,000 MT, marking the highest volume so far this year and a 466% increase compared to September 2023. With the limited quota for 2025, exporters are likely to accelerate shipments in Q4, potentially filling the quota by late January or early February of next year.

Shipments to smaller markets were also higher, with these markets accounting for the bulk of the overall increase. Total exports of fresh/frozen beef in September reached 251,756 MT, up nearly 57,000 MT (+29%) year-over-year. Higher exports to the U.S. accounted for 17,000 MT of this total increase. Mexico, which imported almost no beef from Brazil in 2023, saw shipments of around 5,000 MT in September after opening its market; year-to-date, Brazil has shipped close to 33,000 MT of beef to Mexico. Other smaller markets buying more beef from Brazil this year include Turkey (24,000 MT), Russia (52,000 MT), and the Philippines (69,000 MT). However, the United Arab Emirates has been the largest growth market outside of China, with shipments reaching 107,454 MT through September, up 72,000 MT (+204%). For comparison, shipments to China were 928,381 MT, an increase of 77,000 MT (+9%).

Our projections for Brazilian exports in 2024 have been revised upward once again, now estimated at slightly over 2.5 million MT, a 26% increase from the previous year.

YTD Brazil Beef Fr/Frz Beef Exports. Metric Ton

Source: COMEX. Jan - Sep



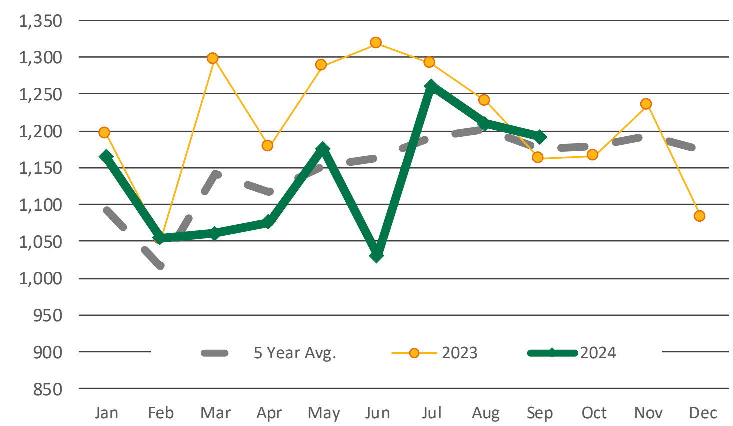
Argentina: Cattle slaughter in Argentina rose sharply during the fall and early winter of 2023 (Southern Hemisphere) as extreme drought conditions forced producers to send more cattle to market. However, slaughter patterns this year have taken a different course. Between March and June, slaughter declined by 14.3%, though the drop in production had only a minimal impact on exports. Now that slaughter rates have returned to last year's levels, the pace of exports appears to be accelerating.

Current forecasts suggest that in 2025, Argentina will continue to see strong exports alongside increased heifer retention and reduced slaughter. Improved profitability and expectations for better pastures are likely to encourage producers to focus on breeding and expanding the cow herd. Cattle prices are expected to rise in 2025, as producers will have greater flexibility to time their marketings and allocate more cattle to herd rebuilding rather than feedlots. Lower feed costs are also anticipated to encourage feedlots to increase their bids to secure cattle.

In September, exports reached 71,876 metric tons (MT), marking a 44% increase from a year ago and setting a new monthly record, surpassing the previous high set in August. Argentina's fresh and frozen beef exports for 2025 are projected to exceed 740,000 MT, up 9% from last year, with shipments to the U.S. expected to surpass 30,000 MT, an increase of 40% year-over-year..

Monthly Argentina Cattle Slaughter, Total Slaughter. '000 Head

Source: MAGYP. Analysis by Steiner Consulting



Uruguay: There is a seasonal component to Uruguayan cattle slaughter, with more cattle available in the spring and summer. Overall supply is lower than this time last year due to feed availability, but slaughter is expected to increase in November and December compared to September and October (see chart). In the four weeks ending October 19, total cattle slaughter averaged around 39,500 head per week, down 16% from a year ago and 10% lower than the five-year average.

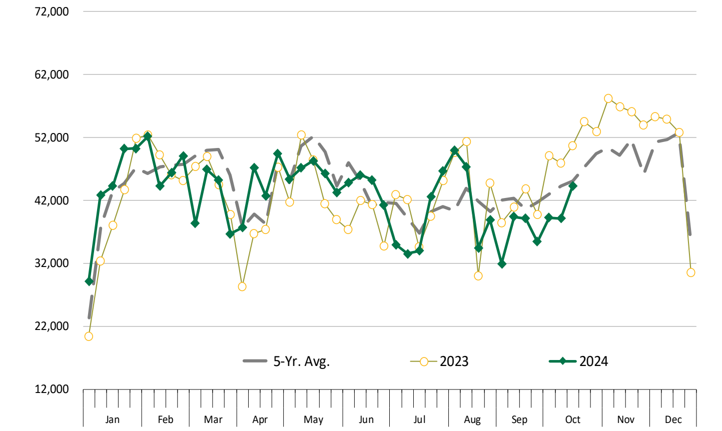
South America (continued)

Most of the decline was due to producers sending fewer cows to market. Improved pastures and high calf prices have increased interest in breeding, reducing the culling rate. Steer slaughter during the four reference weeks was slightly higher than a year ago, while cow slaughter averaged just 13,200 head per week, 38% lower than last year and 25% below the five-year average.

Lower slaughter in September reduced the supply available for export, primarily affecting the Chinese market. High prices paid in the U.S. and EU redirected more beef to those destinations. Shipments to China were 10,179 MT, 41% lower than last year, while shipments to the U.S., at 8,362 MT, were up 82% year-over-year. Through September, Uruguay shipped nearly 81,000 MT to the U.S., 123% more than last year and far above the 20,000 MT quota.

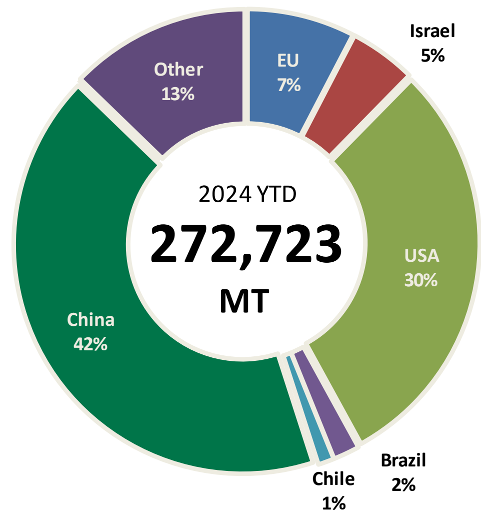
Uruguay Cattle Slaughter, Total

Weekly Slaughter in Head. Source: World Beef Report



YTD Uruguayan Exports of Fresh/Frozen Beef. Top Markets

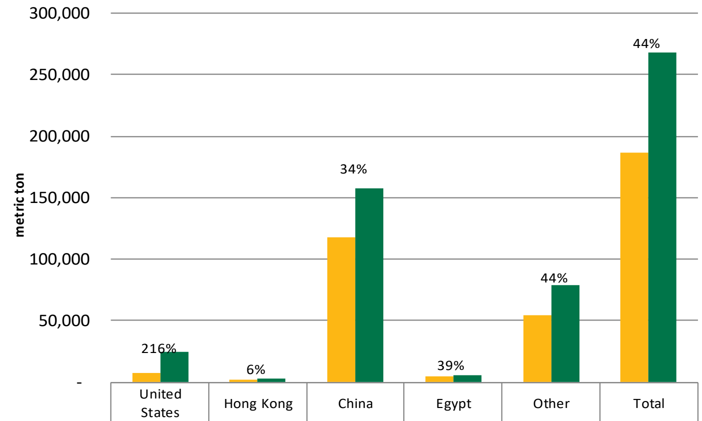
Source: World Beef Report. Analysis by Steiner Consulting



South America Trade Statistics

Brazilian Fresh/Frozen Beef Exports in September 2024 vs. September 2023

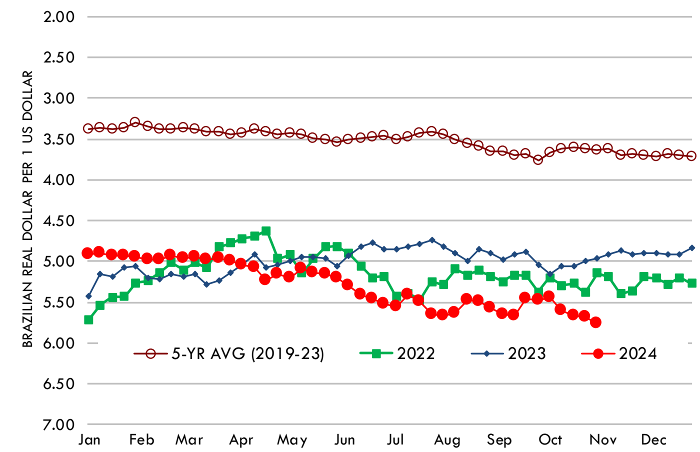
Analysis by Steiner Consulting Units: Metric Tons



	United States	Hong Kong	China	Egypt	Other	Total
Oct-23	7,687	2,256	117,485	4,174	54,579	186,182
Oct-24	24,328	2,390	157,335	5,788	78,645	268,486

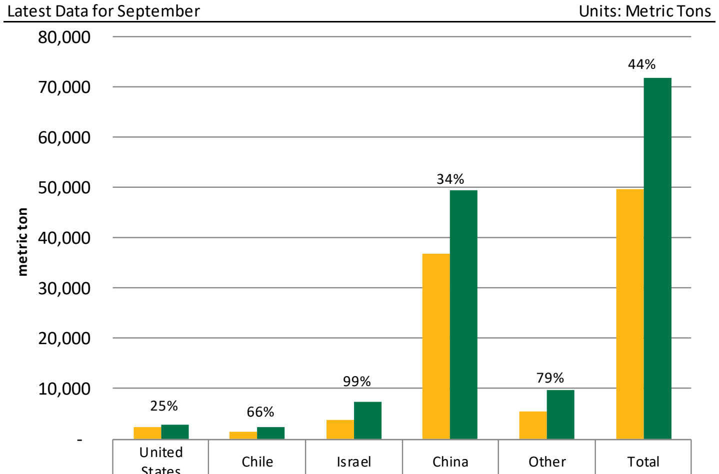
Brazilian Real Per 1 US Dollar

Y/Y Comparison of Weekly Exchange Rate



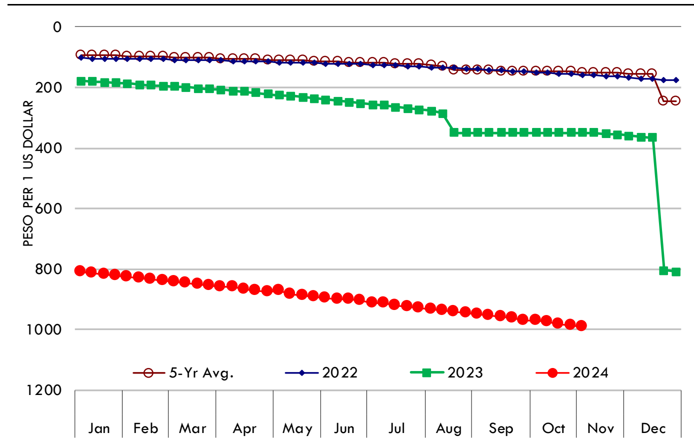
Argentina Fresh/Frozen Beef Exports

Latest Data for September Units: Metric Tons



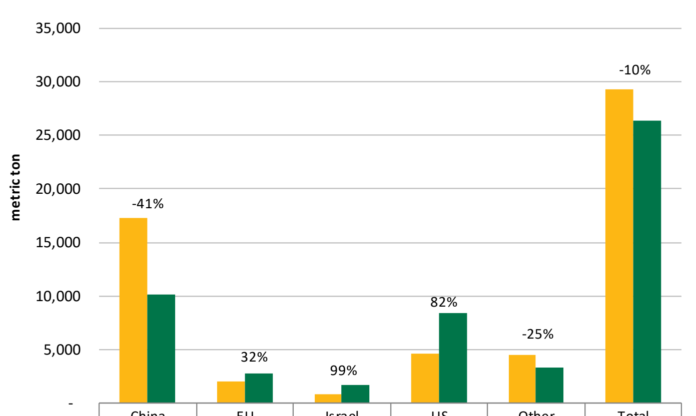
	United States	Chile	Israel	China	Other	Total
Sep-23	2,282	1,415	3,744	36,953	5,440	49,832
Sep-24	2,843	2,344	7,443	49,521	9,725	71,876

Argentine Peso Per 1 US Dollar



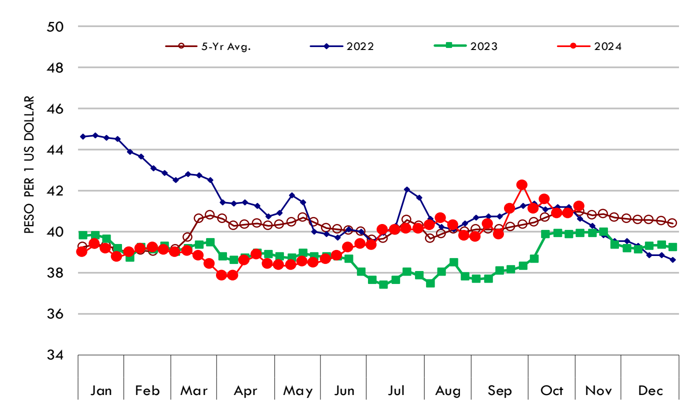
Uruguyan Fresh/Frozen Beef Exports

Latest Data is for September 2024 Units: Metric Tons



	China	EU	Israel	US	Other	Total
Sep-23	17,241	2,084	841	4,600	4,497	29,263
Sep-24	10,179	2,750	1,676	8,362	3,377	26,344

Uruguay Peso Per 1 US Dollar

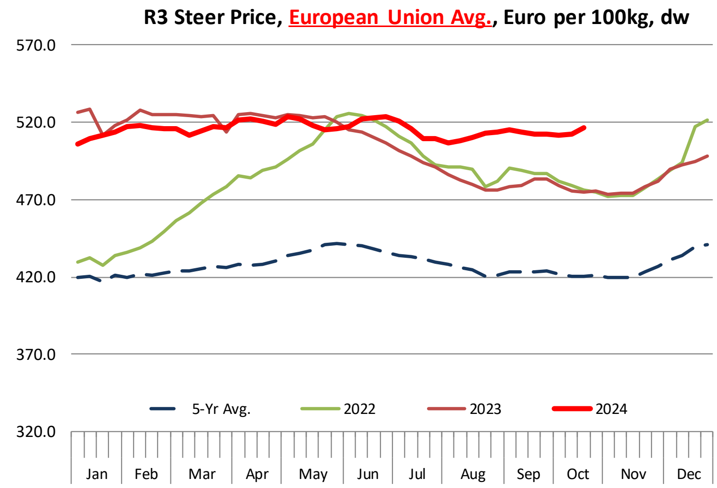


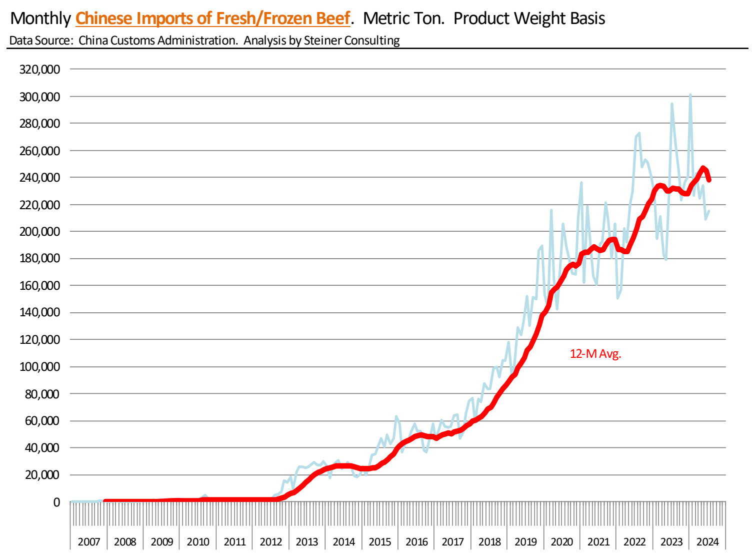
Asia / EU Market Update

European Union: The slaughter pace in Ireland slowed considerably during the summer months, but with winter around the corner, processing rates have picked up. Producers are taking advantage of higher prices to market their cattle before winter. Total cattle slaughter in the four weeks ending October 27 was 162,899 head, up 2.9% from a year ago. Much of the increase in slaughter is due to more female cattle going to market—a trend that has been developing throughout the year. Cow slaughter reached 38,089 head, 10% above last year, and heifer slaughter at 46,787 head was up 4.4%. The combined increase in cow and heifer slaughter during this four-week period was nearly 6,000 head, compared to a 4,600 head increase in total slaughter. Cow inventory in Ireland, and likely across the EU, is expected to decline, setting the stage for a smaller calf crop in 2025.

The USDA is currently projecting the EU's beef cow inventory at 10.235 million head, down from 10.319 million in 2024 and 10.445 million in 2023. The dairy cow herd is expected to see a larger contraction, partly due to ongoing liquidation in Ireland, one of the top dairy-producing countries. In 2023, the EU dairy herd was estimated at 20.074 million head. At the start of 2024, the herd declined modestly to 19.913 million head. The current forecast projects the dairy herd at 19.650 million head, a decrease of 1.3%. A recent USDA report highlighted something we have noted for a while: environmental regulations, and more recently, disease outbreaks (such as the bluetongue virus), have negatively impacted the dairy industry in Europe, forcing contraction within the sector.

China: China's beef import data for September 2024 shows an overall decline of 11% compared to September 2023, totaling 218,202 metric tons. Brazil remains China's largest supplier, with only a slight year-over-year decrease of 1% in September; however, year-to-date (YTD) imports from Brazil rose by nearly 10%. Argentina also experienced an 11% year-over-year drop in September but achieved a 7.5% increase in YTD imports. Imports from Uruguay and New Zealand saw substantial declines in September, down 34% and 56%, respectively, with New Zealand's YTD volume also decreasing by 24%. The United States similarly posted a 21% drop in imports in September and a 16.8% decline YTD. In contrast, imports from smaller suppliers, grouped as "Other," rose slightly by 1% in September and showed a strong 23.3% YTD increase, partially offsetting declines from major suppliers. Overall, despite monthly reductions from several key sources, China's total YTD beef imports in 2024 rose by 3.4%.





Japan: In September 2024, Japan's beef production from adult cattle saw a 10% increase from August, totaling 90,087 metric tons, and year-to-date production rose 13% compared to the previous year. Wagyu beef production experienced strong growth, with a 14% month-over-month increase and a 9% year-over-year increase, while beef from Wagyu cows and heifers grew by 16% and 15% respectively. Dairy breeds showed a more modest 7% monthly increase, but production from dairy breed cows and heifers declined by 5% and 7% year-over-year, respectively. Total beef production increased by 9% from August and by 1% compared to September 2023.

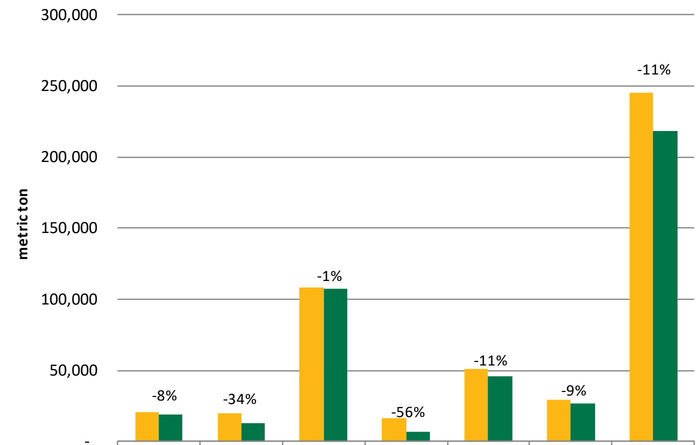
Beef imports dropped sharply, down 22% from the previous

Asia / EU Trade Statistics

month, although they remained 3% higher than the previous year. Imported stocks fell slightly by 2% month-over-month but were 1% higher than a year ago, while domestic stocks rose by 3% from August yet were 12% lower than in September 2023. The decrease in domestic stocks year-over-year suggests increased consumption or a tighter domestic supply, despite the overall increase in beef production, particularly from Wagyu breeds.

China Fresh/Frozen Beef Imports

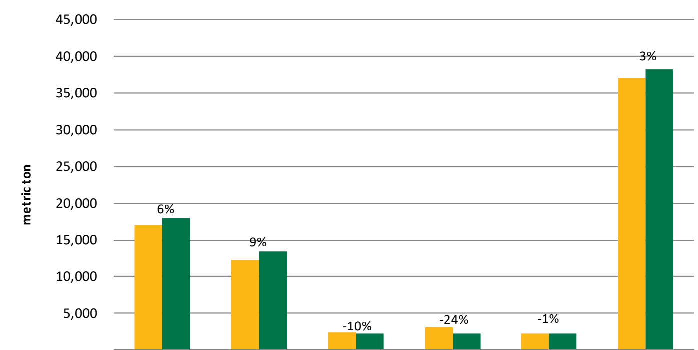
Data for September Units: Metric Tons



	Australia	Uruguay	Brazil	New Zealand	Argentina	Other	Total
Sep-23	20,357	19,438	108,233	16,361	51,190	29,459	245,038
Sep-24	18,830	12,792	107,000	7,137	45,683	26,761	218,202

Japan Fresh/Frozen Beef Imports in September 2024 vs. September 2023

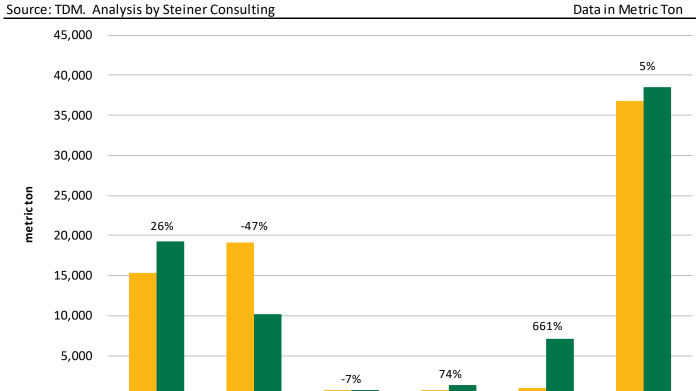
Analysis by Steiner Consulting Units: Metric Tons



	Australia	USA	New Zealand	Canada	Other	Total
Sep-23	16,978	12,285	2,458	3,056	2,268	37,044
Sep-24	17,967	13,447	2,204	2,308	2,246	38,172

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

Source: TDM. Analysis by Steiner Consulting Data in Metric Ton



	Australia	USA	New Zealand	Canada	Other	Total
Sep-23	15,321	19,071	747	739	936	36,814
Sep-24	19,254	10,202	694	1,285	7,119	38,553

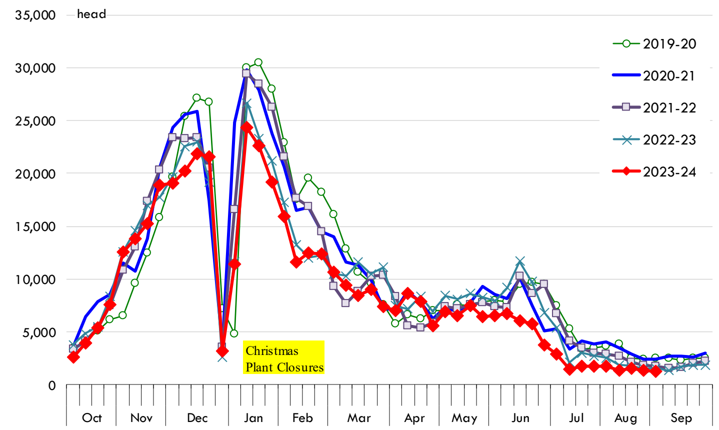
Oceania Update

New Zealand: New Zealand's slaughter data is always reported with a delay, purportedly to support domestic producers given the large fluctuations in supply over the year. This is the time of year when supply shifts from winter lows to the higher spring and summer production levels. Slaughter during June to August was up to 20% lower than a year ago. Recently, however, the trend appears to be changing. Slaughter at the end of September was up 10% year-over-year, and the first week of October saw a 17% increase. Currently (early November), slaughter is estimated at around 60,000 head per week, more than double the levels seen in September.

September slaughter numbers reflected the still-limited supply of cattle coming to market, with total shipments at 28,149 MT, down 12% from a year ago. Shipments to the U.S. market totaled 8,244 MT, a 7% year-over-year decrease, while shipments to China, at 6,380 MT, were down 44%.

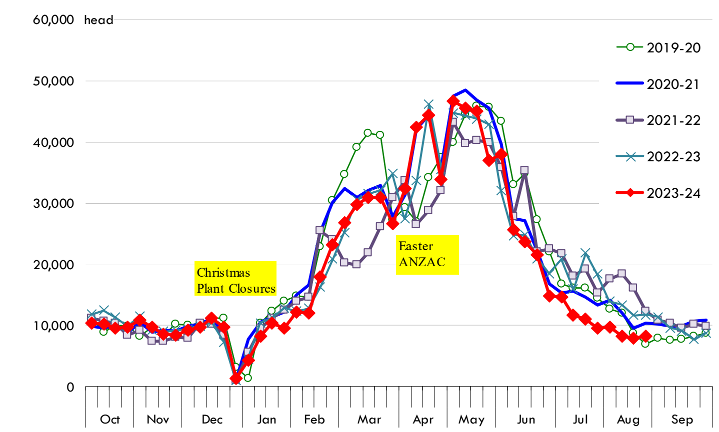
New Zealand Weekly Bull Slaughter

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



New Zealand Weekly Cow Slaughter

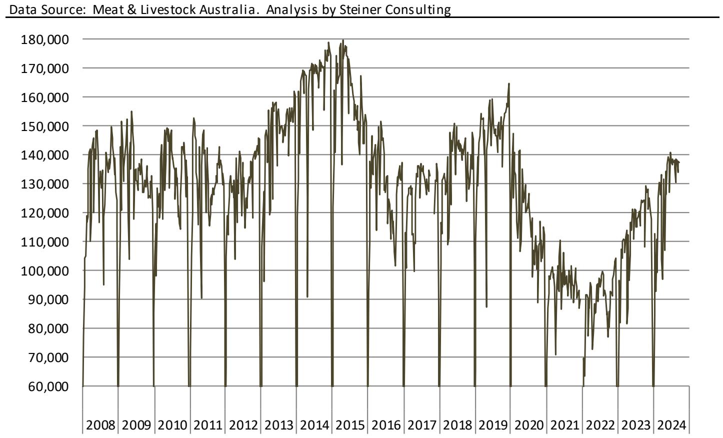
Based on Oct - Sep Marketing Year. Source: New Zealand Meat Board. Analysis by Steiner Consulting



Australia: Cattle slaughter in the Eastern Australian States for the week ending October 25 reached 142,612 head, marking the highest level since 2019. Slaughter has averaged around 140,000 head per week over the past three weeks, which has been a major factor in the significant increase in Australian exports seen in October. I n Australia, cattle prices have been relatively stable, as the higher cattle numbers have been offset by strong export demand. Packer margins are reportedly robust, and unless there is extreme weather pressure prompting producers to liquidate, cattle flow is expected to remain orderly.

Australian Weekly Eastern State Cattle Slaughter: Source MLA

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



The National Young Cattle Indicator was last quoted at $332.35 AUD/100kg live basis, down from $361 in early September, yet still at the higher end of the price range observed between March and June.

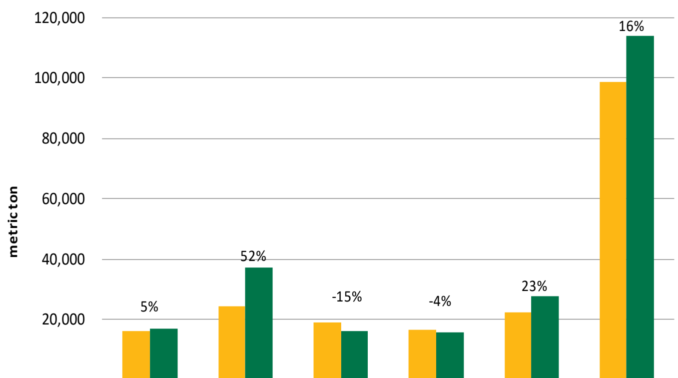
Exports saw a slight decline in September, dropping about 7,000 MT from the previous month. However, they rebounded in October, surpassing 130,000 MT—a 24% increase from a year ago. This was the highest monthly export volume on record, surpassing the volume shipped in July and significantly exceeding exports during the last peak cycle in 2014-15. Impressively, this record export level was achieved even with weekly slaughter rates well below those seen in 2014-15 or 2018-19, implying a shift towards more beef allocated for export and lower domestic beef consumption or availability.

In October, the U.S. market led as the top destination for Australian beef, with exports reaching 45,338 MT—22% higher than the previous month and 64% above the level a year ago. This volume was just shy of the previous record set in September 2014, at 47,238 MT. Notably, this time around, Australia shipped more chilled beef than in 2014, with chilled beef exports in October 2024 exceeding 11,500 MT, 88% higher than the previous year and up from 7,121 MT in September 2014. Year-to-date, Australia has shipped nearly 86,000 MT of chilled beef, an increase of 35,000 MT (+69%) over the previous year. Conversely, exports to China in October were down 20% while exports to Japan declined by 9%.

Oceania Statistics

Australia Fresh/Frozen Beef Exports In August 2024 vs. August Ago

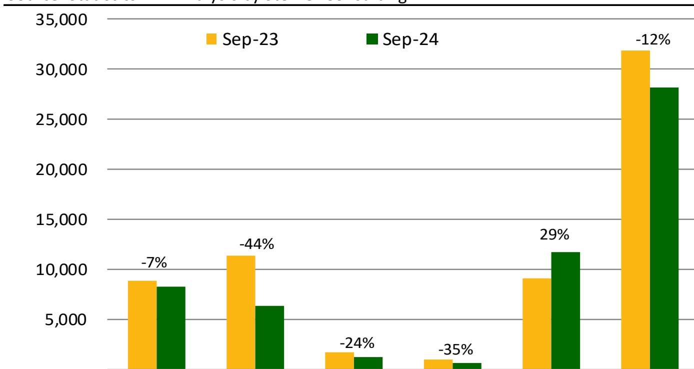
Latest Data for September   Units: Metric Tons



	Japan	USA	China	Korea, South	Other	Total
Sep-23	16,276	24,431	19,051	16,463	22,492	98,713
Sep-24	17,104	37,218	16,161	15,843	27,720	114,046
Y/Y Diff.	828	12,787	(2,890)	(620)	5,228	15,333

New Zealand Fresh/Frozen Beef Exports in August. MT

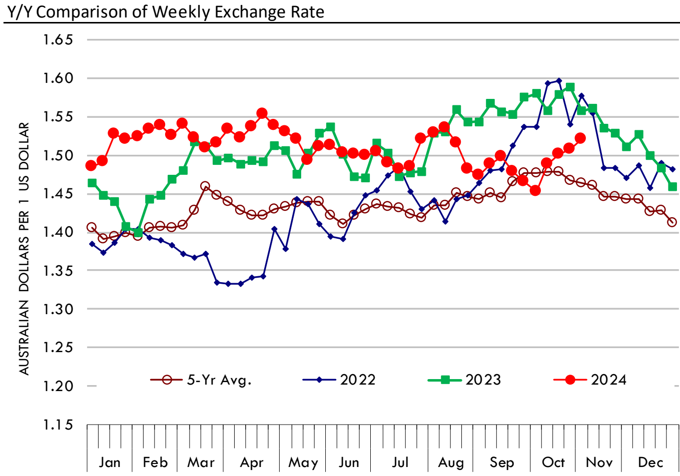
Source: Statistics NZ. Analysis by Steiner Consulting



	US	China	Japan	South Korea	Other	Total
Sep-23	8,884	11,402	1,631	927	9,071	31,915
Sep-24	8,244	6,380	1,239	598	11,688	28,149
Y/Y Diff.	(640)	(5,022)	(392)	(329)	2,616	(3,766)

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