US Imported Beef Market

A Weekly Update

Prepared Exclusively for Meat & Livestock Australia - Sydney

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Market Highlights for the Week:

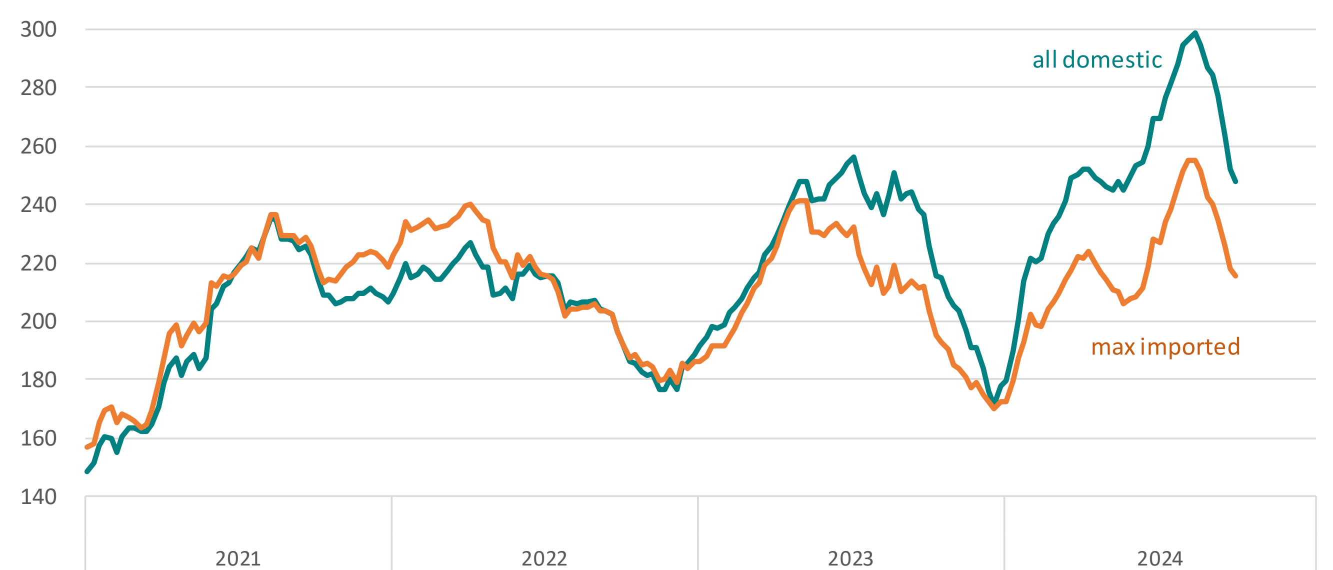
- Dockworker strike lasted only three days but it has created a backlog of product that will take some time to clear up. Overall impact on pricing is likely to be very limited, however.
- Domestic lean beef prices have been slowly trending lower but the current wide price spread to imported beef means that the impact on imported values is quite limited. If anything, end users are looking to maintain their position and thus bidding on product delivering late this year and in Q1.
- Australian beef exports in September were a little over 114,000 MT, up 16% from a year ago. Exports to the US market were over 37,000 MT, up 52% vs. a year ago.
- Shipments of Australian chilled beef to the US have the potential to reach 100,000 MT in 2024, a new record and evidence of future potential.
- Despite the y/y decline in cattle slaughter, feedlot beef production in the last four week was up 5% y/y.

Imported Market Activity for the Week

Imported beef market continues to trade steady to firm, with spot availability limited and higher asking prices for product delivering towards the end of the year and early 2025. The strike in East Coast and Gulf Coast ports only lasted for a few days but it has still resulted in a backlog of product that will take 2-3 weeks to be cleaned up. Domestic lean grinding beef prices have been slowly trending lower, with more downside for 85CL and fattier grinds. But imported product still is trading at a big discount to domestic product and those that can use imported will look to maximize the inclusion rate in formulations. The chart below hopefully brings some context, comparing the implied value of a 75CL meat block using only domestic fresh product or including a max quantity of imported. The discount of the meatblock using imported beef was as high as $45/cwt (-18%) in early June and has declined since then.

Value of 75CL Meatblock: All Domestic vs. Max Imported Lean. $/cwt

Data source: USDA and UB. Analysis by Steiner Consulting



However, the latest price quotes (see page 7) still show that including imported beef in the meat block offers a discount of as much as $32/cwt (-13%).

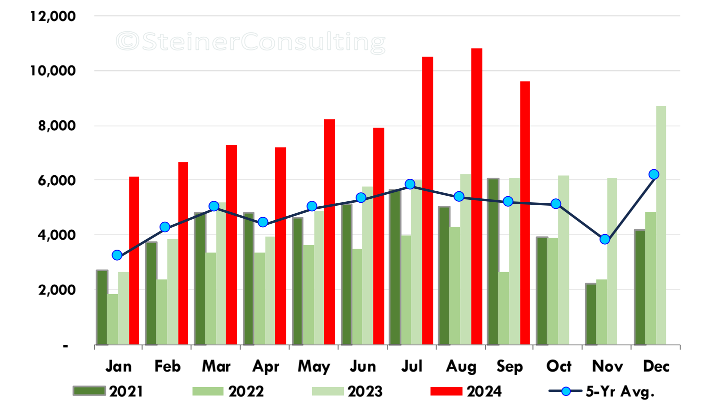
Imported beef cuts remain well-supported, driven in part by the anticipation that steak prices will rise toward the end of the year. Tenderloins and ribeyes, in particular, benefit from increased holiday demand, while other steak cuts have performed better than expected. Notably, ribeye prices peaked in late December in both 2022 and 2023. Although the pace of chilled beef shipments from Australia has slowed, they remain significantly higher than last year's levels. Overall, demand for imported beef cuts—especially grass-fed programs—continues to outstrip supply.

Market notes

- **Australian September exports** to the US market far outpaced shipments to other destinations. Total beef and veal exports to the US last month were 37,218 MT, almost 13k MT (+52%) higher than a year ago. Japan was the second largest export market and shipments in September were only slightly above 17k MT. Overall Australian beef exports in September were 114,046 MT, up 15k MT (+16%) higher than a year ago. The Chinese market remains an important destination but shipments in September were down almost 3k MT (-15%).
- Exports of chilled beef to the U.S. reached record levels over the past few months. Although there was a slight slowdown in September, shipments were still estimated at 9,600 metric tons—an impressive 60% increase compared to the same period last year. Over the past three months alone, chilled beef exports to the U.S. have exceeded 30,000 metric tons, a figure that once represented Australia's total annual volume of chilled beef exports to the U.S. Based on current trends, we anticipate that total shipments of Australian chilled beef in 2024 may surpass 100,000 metric tons.
- The price of 90CL boneless beef has been gradually trending lower, and this decline is expected to continue through November and early December. Seasonally, cow and bull slaughter increases during this period, contributing to the additional supply in the spot market. Equally important, however, is the recent slowdown in foodservice sales, alongside reduced volumes moving through the retail meat sector.

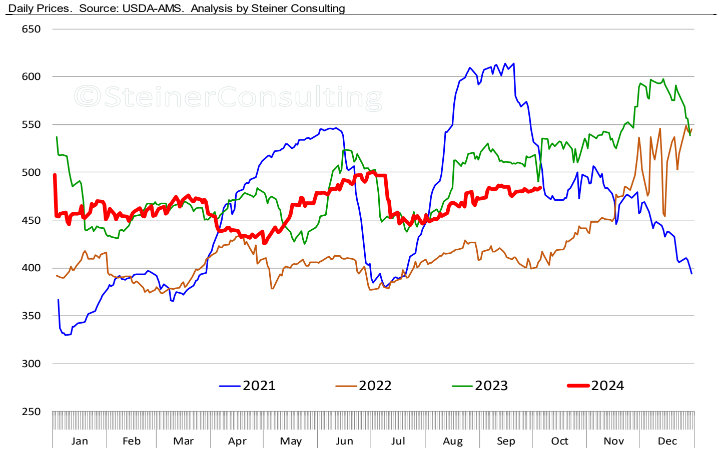
Australian Chilled Beef Exports to USA

Monthly Exports. Metric Ton. Source: DAFF



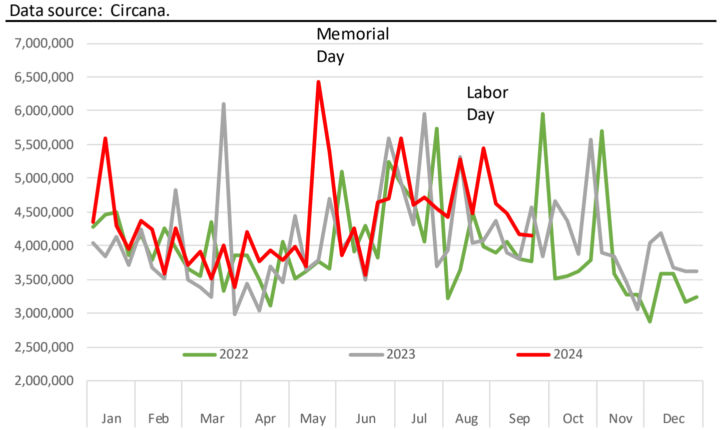
Choice **Rib** Primal Value. $/cwt

Daily Prices. Source: USDA-AMS. Analysis by Steiner Consulting



Volume in Lbs of Ground Beef Retail Sales, 85-89 PCT

Data source: Circana.



As illustrated in the chart above, which tracks weekly retail sales volumes of 80-89% ground beef over the past two years and in 2024, Memorial Day weekend consistently shows the largest spike, marking the unofficial start of the grilling season. Retailers also tend to run promotions in August, as well as in late September and October. In contrast, sales volumes typically decline in November and December, when retailers shift their focus to holiday promotions.

Slaughter update:

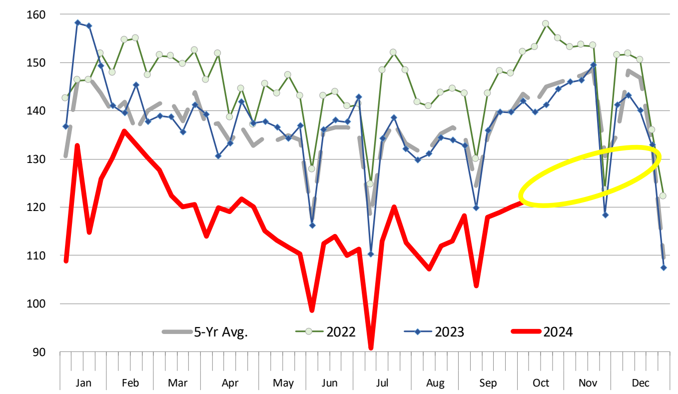
Cattle slaughter last week totaled 611,000 head, down 2.6% from the same period last year. This decline was entirely driven by a reduction in the processing of cows and bulls. Cow and bull slaughter for the week was estimated at 121,000 head, 14.8% lower than a year ago and 26% below levels from two years ago. Over the past four weeks, cow and bull slaughter reached 478,000 head, representing a significant drop of nearly 80,000 head (or 14.2%) compared to last year.

In contrast, fed cattle slaughter and the supply of fed beef have increased year-over-year. Last week, we estimate that fed cattle slaughter reached 491,000 head, up 1.1% from the same week last year, though still about 5.1% below the five-year average. Over the past four weeks, fed cattle slaughter has totaled 1.99 million head, an increase of 50,000 head (+2.6%) compared to last year. Additionally, fed cattle weights have averaged around 3% higher than last year.

This 5% increase in beef production during this time of year is significantly higher than forecasts projected just three months ago.

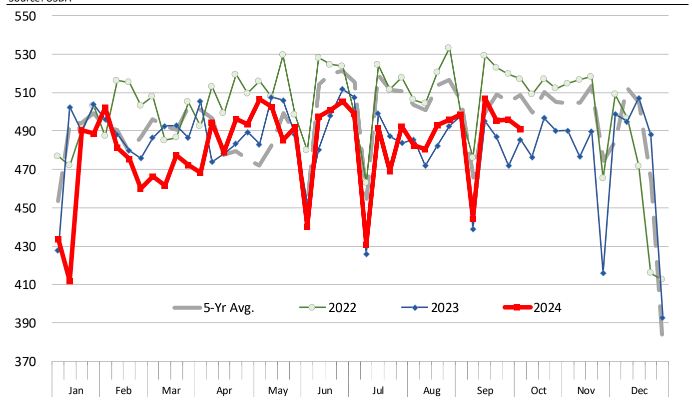
WEEKLY COW & BULL SLAUGHTER. '000 HEAD

Source: USDA-AMS



WEEKLY STEER AND HEIFER SLAUGHTER. '000 HEAD

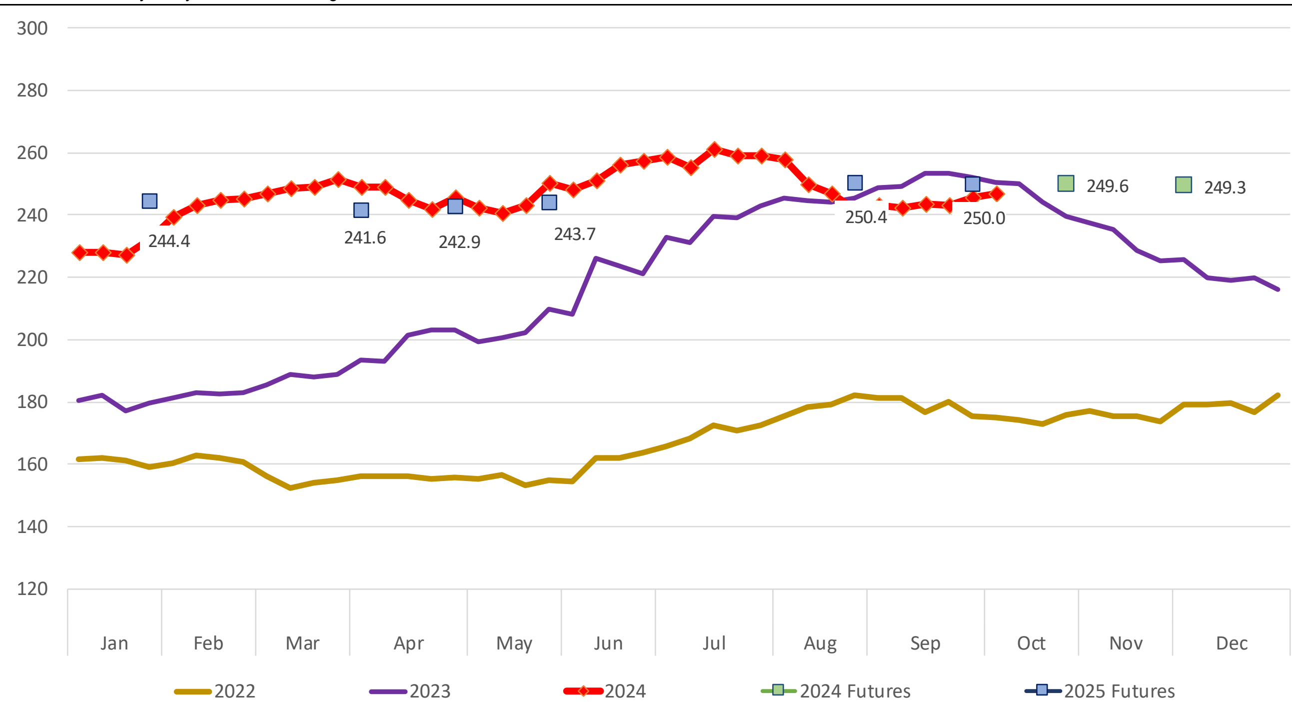
Source: USDA



CME Cattle Feeder Index and US Cattle Markets

	Current Week	Prior Week	% CHANGE VS. WK AGO	Last Year	Change from Last Year
	3-Oct-24	26-Sep-24		5-Oct-23	
CME FEEDER CATTLE INDEX	246.78	245.53	0.5%	250.41	-1.4%
	4-Oct-24	27-Sep-24		6-Oct-23	
FED STEER (5-MKT AVG)	187.07	185.18	1.0%	182.80	2.3%
CUTTER COW CARCASS, NATIONAL, 90% LEAN, 350-400 LB. (carcass wt.)	225.00	231.50	-2.8%	176.50	27.5%
BONER COW CARCASS, NATIONAL, 85% LEAN, 400-500 LB. (carcass wt.)	230.00	237.50	-3.2%	186.50	23.3%
BREAKER COW CARCASS, NATIONAL, 75% LEAN, 500+ (carcass wt.)	230.00	233.00	-1.3%	193.00	19.2%
CUTTER COW CARCASS CUTOUT, 5-DAY MA, USDA	276.69	278.30	-0.6%	237.81	16.3%

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
	4-Oct-24		27-Sep-24			6-Oct-23		
US East Coast Australian/NZ Lean, CIF								
95 CL Bull, E. Coast	312.0	314.0	310.0	312.0	2.0	260.0	265.0	49.0
90 CL Blended Cow	287.0	288.0	286.0	287.0	1.0	240.0	241.0	47.0
90 CL Shank		280.0	280.0	281.0	-1.0		240.0	40.0
85 CL Fores	273.0	275.0	271.0	273.0	2.0	227.0	228.0	47.0
85 CL Chucks		UNQ		UNQ	N/A		UNQ	N/A
95 CL Bull, W. Coast	311.0	312.0	310.0	311.0	1.0	260.0	265.0	47.0
Uruguay CFH 90CL, E. Coast		UNQ		UNQ	N/A		UNQ	N/A
US East Coast, Trimmings, CIF								
85 CL Trimmings	272.0	273.0		270.0	3.0	225.0	226.0	47.0
80 CL Trimmings	238.0	240.0	235.0	236.0	4.0	205.0	206.0	34.0
75 CL Trimmings	200.0	205.0	195.0	198.0	7.0	185.0	190.0	15.0
65 CL Trimmings		UNQ		UNQ	N/A		UNQ	N/A
US East Coast Australian Cuts, CIF								
Cap Off Steer Insides		360.0	355.0	360.0	0.0	320.0	330.0	30.0
Steer Insides 14/18		UNQ		UNQ	N/A		UNQ	N/A
Steer Flats	320.0	325.0	320.0	321.0	4.0	285.0	290.0	35.0
Steer Knuckles		325.0		320.0	5.0		290.0	35.0

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

	Current Week		Prior Week		Change From Last Week	Last Year		Change From Last Year
	4-Oct-24		27-Sep-24			6-Oct-23		
US East Coast Australian/NZ Lean, FOB US Port								
95 CL Bull, E. Coast	320.0	322.0	318.0	320.0	2.0	275.0	276.0	46.0
90 CL Blended Cow	295.0	296.0	293.0	295.0	1.0	254.0	255.0	41.0
90 CL Shank		290.0	285.0	290.0	0.0		255.0	35.0
85 CL Fores	280.0	281.0	276.0	278.0	3.0	235.0	238.0	43.0
85 CL Chucks		UNQ		UNQ	N/A		UNQ	N/A
95 CL Bull, W. Coast	320.0	321.0	318.0	319.0	2.0	274.0	275.0	46.0
Uruguay CFH 90CL, E. Coast		UNQ		UNQ	N/A		UNQ	N/A
US East Coast, Trimmings, FOB US Port								
85 CL Trimmings	278.0	280.0	275.0	276.0	4.0	235.0	236.0	44.0
80 CL Trimmings	248.0	250.0	245.0	246.0	4.0	217.0	218.0	32.0
75 CL Trimmings	212.0	214.0	210.0	212.0	2.0	194.0	195.0	19.0
65 CL Trimmings		UNQ		UNQ	N/A		UNQ	N/A
US East Coast Australian Cuts, FOB US Port								
Cap Off Steer Insides	375.0	380.0	370.0	380.0	0.0	345.0	350.0	30.0
Steer Insides 14/18		UNQ		UNQ	N/A		UNQ	N/A
Steer Flats	330.0	335.0	325.0	330.0	5.0	290.0	295.0	40.0
Steer Knuckles	335.0	340.0	335.0	340.0	0.0		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
	4-Oct-24			27-Sep-24				6-Oct-23			
	Low	High	Wt.Avg	Low	High	Wt.Avg		Low	High	Wt.Avg	
Domestic Cutouts											
Choice Cutout	302.58			296.69			5.9	302.01			0.6
Select Cutout	287.61			282.08			5.5	275.78			11.8
Domestic Lean Grinding Beef											
90 CL Boneless	345.3	370.4	353.4	340.0	374.5	355.7	-2.3	280.0	311.5	297.7	55.7
85 CL Beef Trimmings	275.0	328.0	304.6	283.0	333.0	313.2	-8.7	250.0	298.0	282.9	21.7
50 CL Beef Trim	61.0	100.0	72.1	60.0	99.5	80.3	-8.3	86.0	124.0	106.4	-34.3
Domestic Pork Trim											
42 CL Pork Trim	69.0	99.0	78.5	60.3	89.0	68.8	9.7	45.5	95.0	59.9	18.6
72 CL Pork Trim	87.0	106.8	90.5	85.2	113.6	88.4	2.1	73.7	105.8	81.6	9.0
Point of Lean Values											
90 CL Domestic	392.6			395.2			-2.6	330.7			61.9
50 CL Beef Trimming	144.1			160.6			-16.5	212.8			-68.7
42 CL Pork Trim	186.9			163.7			23.2	142.6			44.3
72 CL Pork Trim	125.7			122.8			2.9	113.3			12.4
National Direct Fed Steer (5-day accum. wt. avg. price)	187.07			185.18			1.9	182.80			4.3

TABLE 5 – FUTURES AND SLAUGHTER INFORMATION

Futures Contracts	Current Week	Prior Week	Change From Last Week	Last Year	Change From Last Year
	4-Oct-24	**27-Sep-24**		**6-Oct-23**	
Live Cattle Futures					
October '24	187.000	183.750	↑ 3.25	183.075	↑ 3.93
December '24	187.000	184.475	↑ 2.53	186.675	↑ 0.32
February '25	187.950	185.550	↑ 2.40	190.775	↓ -2.82
April '25	188.750	186.400	↑ 2.35	193.925	↓ -5.18
Feeder Cattle Futures					
October '24	249.625	247.075	↑ 2.55	248.375	↑ 1.25
November '24	249.275	245.700	↑ 3.58	250.875	↓ -1.60
January '25	244.375	239.600	↑ 4.78	253.775	↓ -9.40
March '25	241.600	236.800	↑ 4.80	257.225	↓ -15.63
Corn Futures					
December '24	424.750	418.000	↑ 6.75	492.000	↓ -67.25
March '25	441.750	435.000	↑ 6.75	507.250	↓ -65.50
May '25	450.500	444.750	↑ 5.75	515.250	↓ -64.75
July '25	455.250	450.500	↑ 4.75	520.000	↓ -64.75
Ch Wheat Futures					
December '24	589 3/4	580	↑ 9.75	568 1/4	↑ 21.50
March '25	612 3/4	600 1/4	↑ 12.50	680 1/4	↓ -67.50
May '25	626	611 1/4	↑ 14.75	686 1/4	↓ -60.25
July '25	632 3/4	616 1/4	↑ 16.50	671 1/4	↓ -38.50

Slaughter Information	7 Days Ending	7 Days Ending	Change From Last Week	7 Days Ending	Change From Last Year
	5-Oct-24	**28-Sep-24**		**7-Oct-23**	
Total Cattle Slaughter	611,000	612,000	↓ -1,000	627,600	↓ -16,600
	21-Sep-24	**14-Sep-24**		**23-Sep-23**	
Total Cow Slaughter	107,894	106,425	↑ 1,469	127,600	↓ -19,706
Dairy Cow Slaughter	51,564	51,255	↑ 309	58,800	↓ -7,236
Beef Cow Slaughter	56,330	55,170	↑ 1,160	68,800	↓ -12,470

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

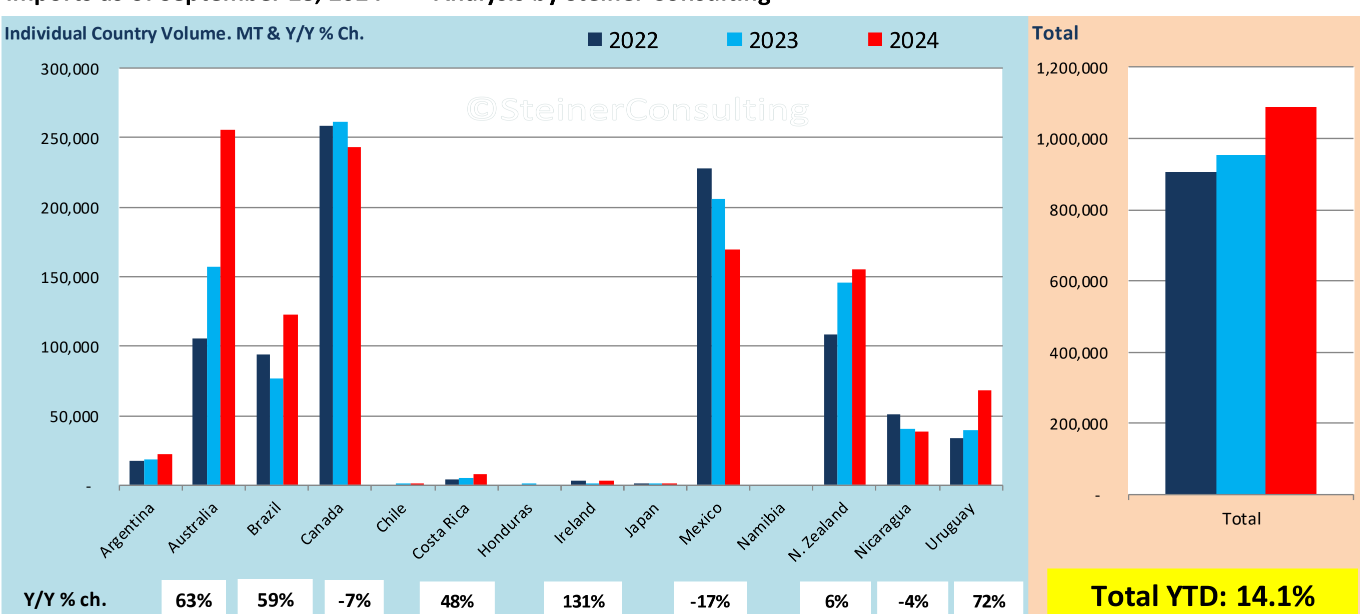
YTD Imported Fresh/Frz Beef Passed for Entry in the US

week 39	9/30/2023	9/28/2024		
Argentina	18,904	22,886	3,982	21.1%
Australia	156,891	255,620	98,729	62.9%
Brazil	76,891	122,517	45,626	59.3%
Canada	261,706	243,070	(18,636)	-7.1%
Chile	20	1	(19)	-95.0%
Costa Rica	5,422	8,031	2,609	48.1%
France	-	-	-	
Honduras	19	-	(19)	-100.0%
Ireland	1,521	3,511	1,990	130.8%
Japan	1,070	1,098	28	2.6%
Mexico	205,648	169,680	(35,968)	-17.5%
Namibia	-	-	-	
Netherlands	-	-	-	
New Zealand	146,063	155,300	9,237	6.3%
Nicaragua	40,428	38,866	(1,562)	-3.9%
Spain	-	-	-	
Uruguay	39,568	68,046	28,478	72.0%
Total	954,150	1,088,625	**134,475**	**14.1%**

Source: AMS - USDA

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

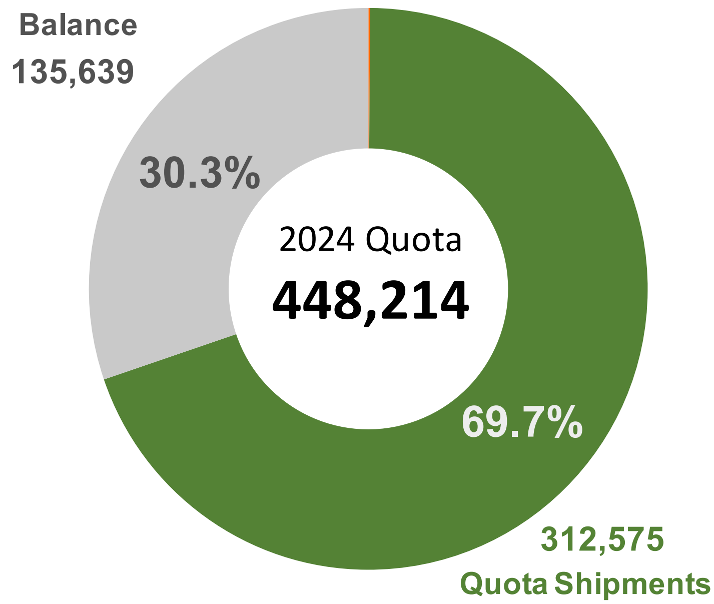
Imports as of September 28, 2024 **Analysis by Steiner Consulting**



Australian Beef Quota Position

3-Oct-24

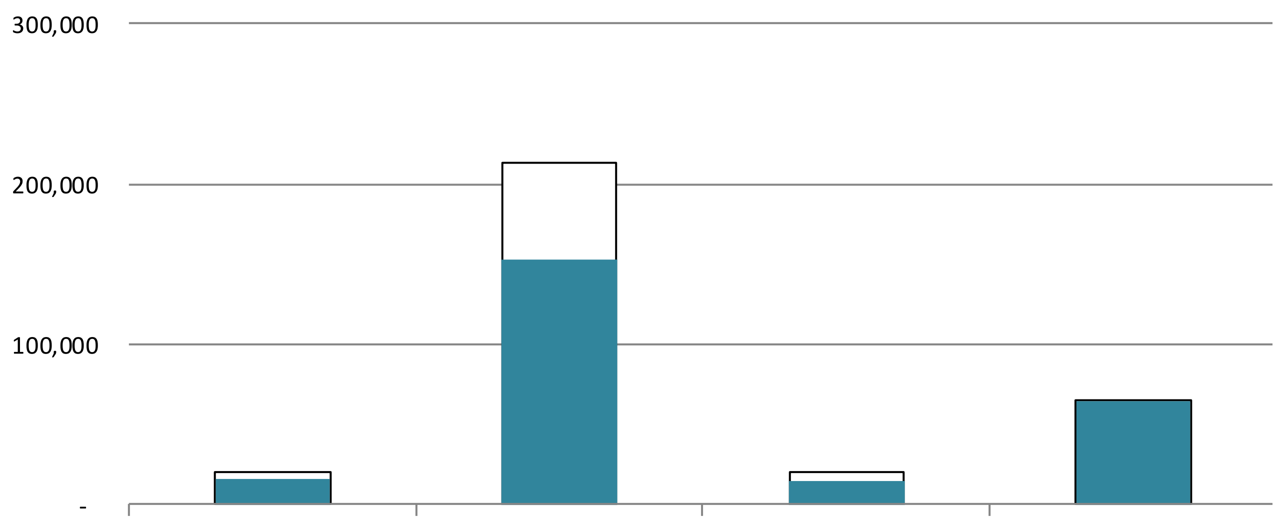
Metric Ton. Australian Department of Agriculture Statistics



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 October 1. Metric Ton

Data source: US Customs. Analysis by Steiner Consulting



	Argentina	New Zealand	Uruguay	Other
2023 YTD	15,969	142,916	15,126	65,005
2024 YTD	16,152	152,331	15,025	65,005
Y/Y %	1%	7%	-1%	0%
Quota	20,000	213,402	20,000	65,005
% cleared	**81%**	**71%**	**75%**	**100%**