



US Imported Beef Market

A Weekly Update

Prepared Exclusively for Meat & Livestock Australia - Sydney

Volume 25, Issue 47

November 22, 2024

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

Market Highlights for the Week:

- Lean imported beef prices are currently trading at a 9% discount to domestic product, a notable improvement vs. August when the discount was over 20%.
- US cow/bull slaughter in the last four weeks has increased, albeit modestly, averaging a little over 120,000 head, about 10,000 head/week higher than in June and July.
- Drought conditions have eased in a number of key cattle regions, supporting feeder cattle values as well as limiting beef cow slaughter.
- Ground beef prices have been trending lower due to a seasonal slowdown in sales at both foodservice and retail. The decline has pressured lean beef prices as well although prices remain well above last year's levels.
- Inventory of cattle on feed as of November 1 was slightly above (+0.3%) year ago as drought in October pushed more feeders into feedlots. We suspect placements will be notably lower in November and December due to easing drought and expected lower imports from Mexico.
- Imports of cattle from Mexico have been restricted due to the finding of New World Screwworm detection in Mexico.

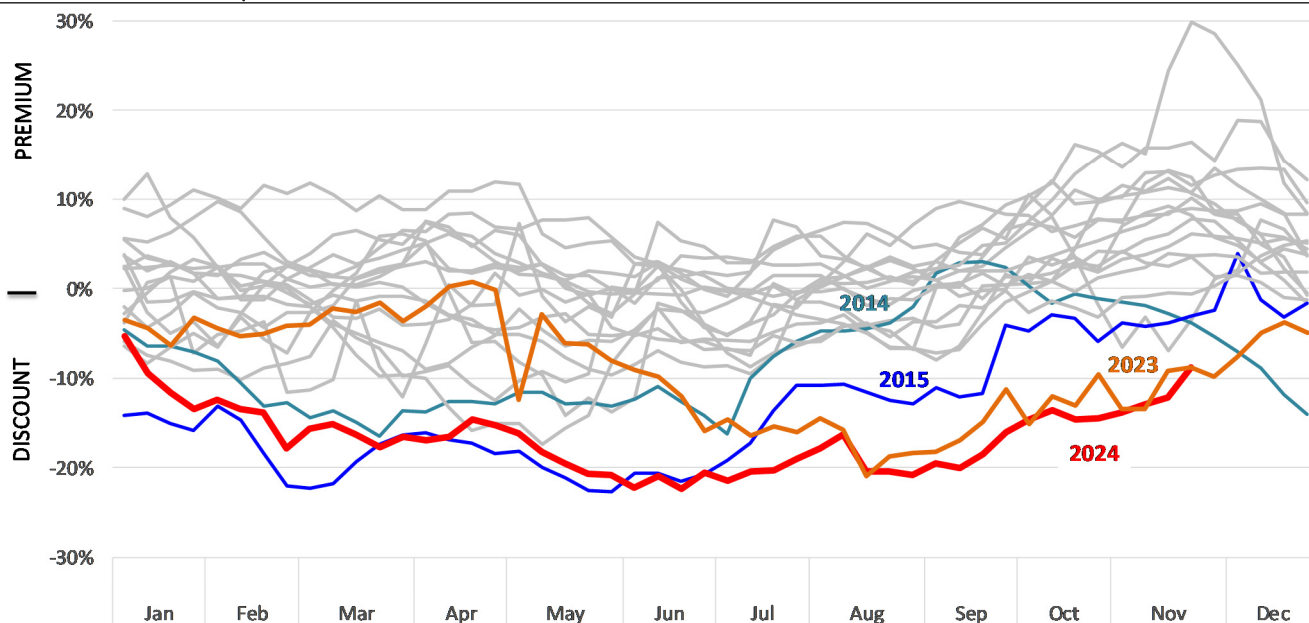
Imported Market Activity for the Week

Imported lean grinding beef prices were solidly higher for the week as market participants are now looking to build their position for Q1 of next year. Yes there is a lot of talk about more Brazilian and New Zealand product coming in Q1 and Australia is expected to have more meat to sell. Additionally the slowdown in sales to China is expected to keep the US as the primary destination for imported beef. With that said, however,

market participants remain acutely aware of the limited supply of domestic cow meat. Options to hedge risk are limited and getting more expensive by the day. Imported product, which will deliver 30,60 or further out continues to serve as a good physical hedge for winter and early spring needs. Some of the demand concerns that followed the E.coli cases also appear to be easing and have not resulted in significant long term damage to consumer confidence. Finally, it should be noted that

% DISCOUNT OR PREMIUM OF 90CL IMPORTED VS. 90CL DOMESTIC. 2005 - 2024

FOB Basis. US East Coast for Imported 90s vs. Central US for Domestic 90s



the holidays this year are bunched up together, with fewer trading days between Thanksgiving and Christmas/New Years. Australian and New Zealand plants will be closed for maintenance and holidays and US processors will also have to juggle scheduling during this time of year. It is easier to figure out plant schedules when holidays are on a Friday or Monday. This year, however, the holidays are on a Wednesday. All of this put the onus on buyers to get some deals done this week, reflected in higher prices paid across the board.

Other market notes

The price gap between domestic and imported beef has narrowed (see page 1), and we expect this trend to continue through the end of the year. Both supply and demand dynamics are contributing to this shift.

On the supply side, U.S. domestic fresh lean grinding beef has become slightly more available as producers send cull cows to market ahead of winter. Over the past four weeks, cow and bull slaughter has averaged just over 121,000 head per week—about 10,000 head more per week than during the summer months.

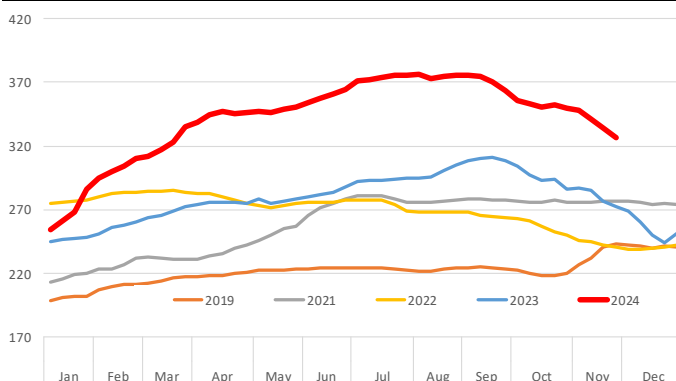
On the demand side, ground beef sales typically slow at this time of year. Retailers prioritize holiday items such as turkeys, hams, and roasts, while foodservice operators experience reduced traffic. Given the ongoing tight domestic cow meat supply, we expect imported beef to continue trading at a discount to domestic lean beef, particularly in the spring and summer.

Import Dynamics

- **Australia and Brazil:** Significant shipments from Australia and Brazil in late September and October have driven a surge in U.S. beef imports, particularly grinding beef. For the four weeks ending November 16, USDA-AMS reports show imports from Australia totaled just over 37,000 MT—13,600 MT (+58%) higher than the same period last year. Imports from Brazil during this period reached 19,000 MT, up 14,800 MT (+328%) year-over-year.
- **Canada and New Zealand:** Supply shortages in Canada have caused imports from there to decline by nearly 11,000 MT during this peri-

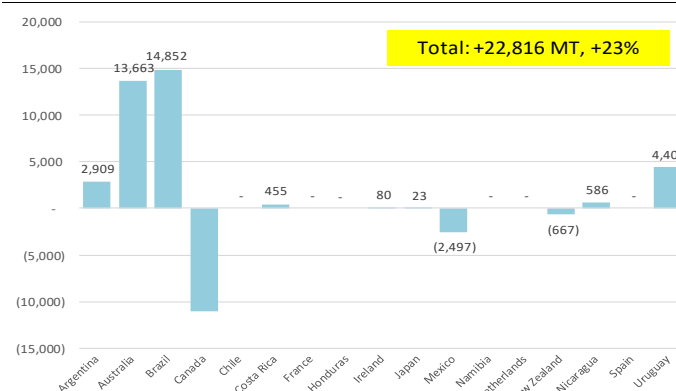
Domestic Fresh 90CL Boneless Beef Price History. \$/cwt

Weekly Prices. USDA Wt. Avg. Analysis by Steiner Consulting

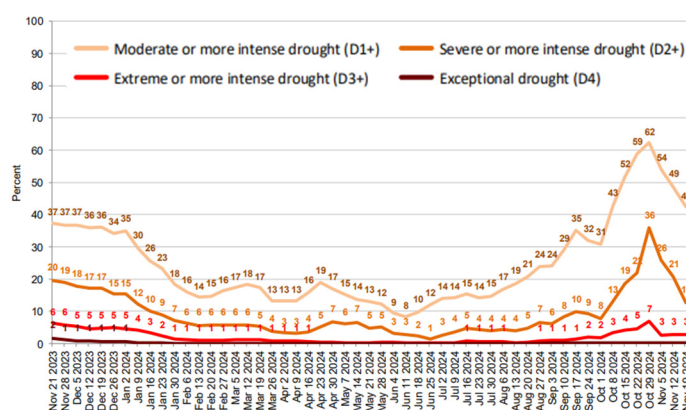


Y/Y Change in the Volume of Beef Imported in 4 weeks ending Nov 16

Source: USDA-AMS. Product wt. basis.



Percent of Cattle Herd in Drought Areas—USDA



od. Meanwhile, imports from New Zealand remained relatively low at 6,200 MT but are expected to accelerate toward year-end.

Weather and Cattle Supply

- **Drought Eases:** Drought conditions in key areas have eased considerably. As of November 19, only 13% of cattle were in regions experiencing severe or extreme drought, down from 36% four weeks earlier, according to USDA

data.

Improving Pastures: Better wheat pasture conditions have supported the recent rally in feeder cattle. Beef cow slaughter is currently running about 25% below last year's levels and is likely to remain limited into 2025, provided weather and feed supplies remain favorable.

Restrictions on Mexican Cattle Imports

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) recently announced restrictions on cattle imports from Mexico following the detection of the New World Screwworm in southern Mexico. This pest, eradicated in the U.S. in 1966, poses a significant threat to livestock and humans.

Details on the restrictions are unclear, including whether they apply only to specific regions or if additional screening will be required. However, this does not appear to be a complete ban on imports from Mexico. Still, the measures will likely limit feeder cattle imports, which are expected to surpass 1 million head this year.

Feedlot Trends

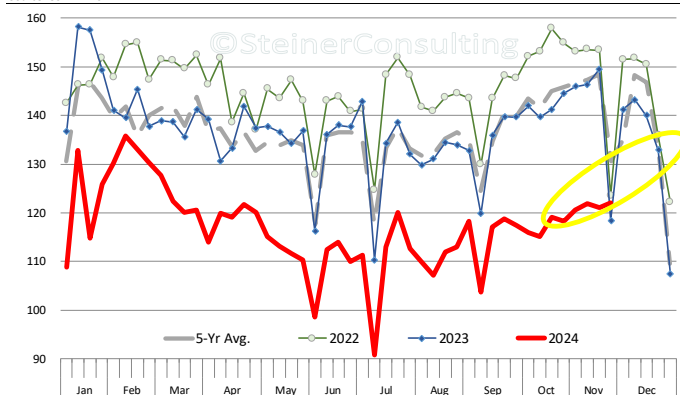
As of November 1, the total supply of cattle on feed stood at 11.986 million head, an increase of 386,000 head from the previous month and 30,000 head year-over-year. Feedlot inventories typically rise in the fall as placements outpace marketings. In October, placements exceeded marketings by 441,000 head.

Regional trends persist, continuing patterns observed earlier this year:

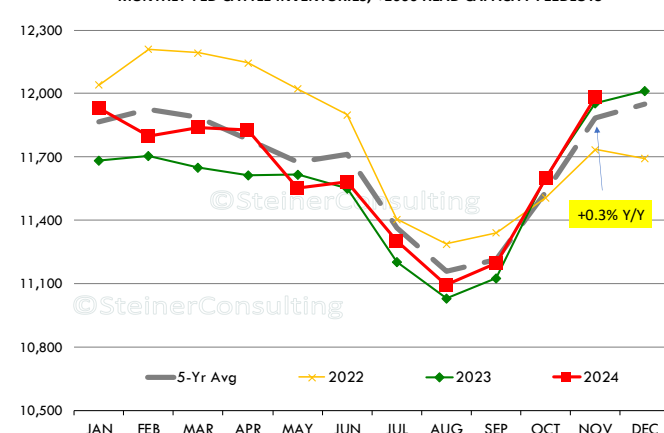
- **Declines:** Kansas has 105,000 fewer cattle on feed compared to last year. Texas and Arizona also reported lower feedlot inventories despite increased imports from Mexico earlier in the year.

WEEKLY COW & BULL SLAUGHTER, '000 HEAD

Source: USDA-AMS



MONTHLY FED CATTLE INVENTORIES, +1000 HEAD CAPACITY FEEDLOTS



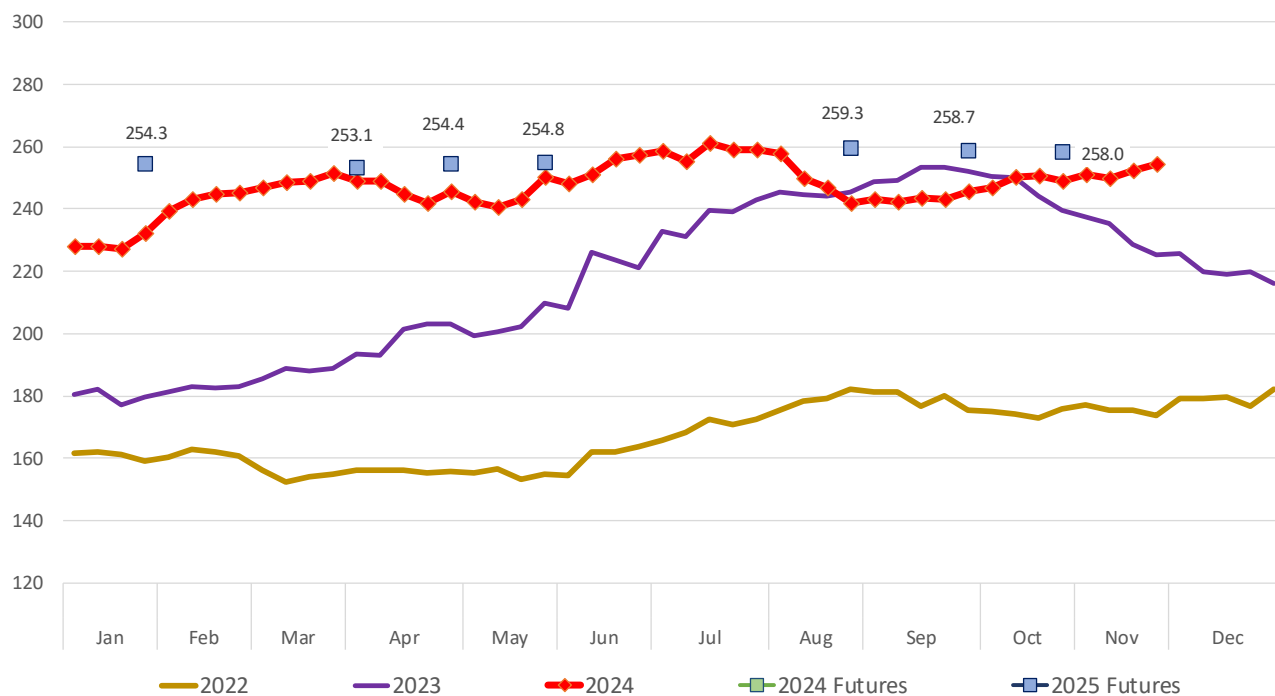
- **Increases:** Nebraska and Oklahoma saw gains, with Nebraska up 50,000 head (+2%) and Oklahoma up 50,000 head (+16%). Drought conditions in Oklahoma have pushed more cattle into feedlots and impacted other states as well. While imports from Mexico were down by about 27,000 head in October, robust placements suggest drought conditions had a more significant impact than changes in trade flows.

CME Cattle Feeder Index and US Cattle Markets

	Current Week	Prior Week	% CHANGE VS. WK AGO	Last Year	Change from Last Year
	21-Nov-24	14-Nov-24		23-Nov-23	
CME FEEDER CATTLE INDEX	254.54	252.31	0.9%	225.24	13.0%
	22-Nov-24	15-Nov-24		24-Nov-23	
FED STEER (5-MKT AVG)	185.42	185.37	0.0%	177.53	4.4%
CUTTER COW CARCASS, NATIONAL, 90% LEAN, 350-400 LB. (carcass wt.)	227.50	224.50	1.3%	167.50	35.8%
BONER COW CARCASS, NATIONAL, 85% LEAN, 400-500 LB. (carcass wt.)	229.00	232.50	-1.5%	181.50	26.2%
BREAKER COW CARCASS, NATIONAL, 75% LEAN, 500+ (carcass wt.)	227.50	228.00	-0.2%	185.50	22.6%
CUTTER COW CARCASS CUTOUT, 5-DAY MA, USDA	258.78	263.21	-1.7%	220.56	17.3%

CME Feeder Cattle Index. Actual + Futures for 2024 and 2025

Source: CME. Analysis by Steiner Consulting



Source: Chicago Mercantile Exchange

					Change From Last Week			Change From Last Year
Current Week			Prior Week			Last Year		
22-Nov-24			15-Nov-24			24-Nov-23		
<u>US East Coast Australian/NZ Lean, CIF</u>								
95 CL Bull, E. Coast	305.0	307.0	301.0	304.0	3.0	250.0	252.0	55.0
	285.0	290.0	281.0	284.0	6.0	230.0	234.0	56.0
90 CL Blended Cow	280.0	281.0		280.0	1.0	230.0	231.0	50.0
90 CL Shank	270.0	272.0	268.0	269.0	3.0		220.0	52.0
85 CL Fores		UNQ		UNQ	N/A		UNQ	N/A
85 CL Chucks	305.0	306.0	302.0	303.0	3.0	250.0	252.0	54.0
95 CL Bull, W. Coast								
Uruguay CFH 90CL, E. Coast		UNQ		UNQ	N/A		UNQ	N/A
<u>US East Coast, Trimmings, CIF</u>								
85 CL Trimmings	260.0	270.0	266.0	267.0	3.0	218.0	219.0	51.0
80 CL Trimmings	238.0	240.0	237.0	238.0	2.0	200.0	202.0	38.0
75 CL Trimmings		200.0		200.0	0.0		185.0	15.0
65 CL Trimmings		UNQ		UNQ	N/A		UNQ	N/A
<u>US East Coast Australian Cuts, CIF</u>								
Cap Off Steer Insides	350.0	360.0	350.0	355.0	5.0		320.0	40.0
Steer Insides 14/18		UNQ		UNQ	N/A		UNQ	N/A
Steer Flats	315.0	320.0	305.0	310.0	10.0	280.0	285.0	35.0
Steer Knuckles	315.0	320.0	315.0	320.0	0.0		290.0	30.0

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

					Change From Last Week			Change From Last Year
Current Week			Prior Week			Last Year		
22-Nov-24			15-Nov-24			24-Nov-23		
US East Coast Australian/NZ Lean, FOB US Port								
95 CL Bull, E. Coast	315.0	317.0	310.0	311.0	6.0	263.0	265.0	52.0
	295.0	298.0	290.0	293.0	5.0	242.0	245.0	53.0
90 CL Blended Cow		290.0	285.0	290.0	0.0	240.0	241.0	49.0
90 CL Shank								
85 CL Fores	275.0	278.0	273.0	274.0	4.0	227.0	228.0	50.0
85 CL Chucks		UNQ		UNQ	N/A		UNQ	N/A
95 CL Bull, W. Coast	315.0	316.0	309.0	310.0	6.0	262.0	264.0	52.0
Uruguay CFH 90CL, E. Coast		UNQ		UNQ	N/A		UNQ	N/A
US East Coast, Trimmings, FOB US Port								
85 CL Trimmings	275.0	276.0	271.0	272.0	4.0	226.0	227.0	49.0
80 CL Trimmings	248.0	250.0		248.0	2.0	210.0	211.0	39.0
75 CL Trimmings		207.0	206.0	207.0	0.0	185.0	190.0	17.0
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	320.0	330.0	50.0
Steer Insides 14/18		UNQ		UNQ	N/A		UNQ	N/A
Steer Flats	330.0	340.0	320.0	330.0	10.0	290.0	295.0	45.0
Steer Knuckles	330.0	340.0	330.0	335.0	5.0	290.0	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
	22-Nov-24			15-Nov-24				24-Nov-23			
	Low	High	Wt.Avg	Low	High	Wt.Avg		Low	High	Wt.Avg	
<u>Domestic Cutouts</u>											
Choice Cutout	307.41			303.34			4.1	298.03			9.4
Select Cutout	272.07			276.14			-4.1	268.76			3.3
<u>Domestic Lean Grinding Beef</u>											
90 CL Boneless	314.0	342.0	326.9	326.5	352.5	334.7	-7.8	227.0	288.5	272.4	54.5
85 CL Beef Trimmings	260.0	306.0	283.8	283.0	310.0	298.2	-14.4	205.0	282.0	250.1	33.7
50 CL Beef Trim	55.0	95.0	73.0	60.0	95.0	75.2	-2.2	32.0	85.0	55.2	17.8
<u>Domestic Pork Trim</u>											
42 CL Pork Trim	36.5	79.0	45.2	38.5	108.5	50.6	-5.4	35.9	73.0	42.6	2.6
72 CL Pork Trim	73.8	101.0	81.5	81.2	94.0	86.0	-4.5	65.0	88.8	72.3	9.2
<u>Point of Lean Values</u>											
90 CL Domestic	363.2			371.8			-8.7	302.7			60.5
50 CL Beef Trimming	145.9			150.4			-4.5	110.4			35.5
42 CL Pork Trim	107.6			120.4			-12.8	101.5			6.1
72 CL Pork Trim	113.2			119.4			-6.2	100.4			12.8
<u>National Direct Fed Steer</u> <u>(5-day accum. wt. avg.</u> <u>price)</u>	185.42			185.37			0.0	177.53			7.9

TABLE 5 – FUTURES AND SLAUGHTER INFORMATION

<i>Futures Contracts</i>	<i>Current Week</i>	<i>Prior Week</i>	<i>Change From Last Week</i>		<i>Last Year</i>	<i>Change From Last Year</i>	
	22-Nov-24	15-Nov-24			24-Nov-23		
<u>Live Cattle Futures</u>							
December '24	186.775	182.950	↑	3.83	170.250	↑	16.53
February '25	188.200	185.250	↑	2.95	170.975	↑	17.23
April '25	189.950	187.400	↑	2.55	173.300	↑	16.65
June '25	185.225	182.625	↑	2.60	169.500	↑	15.73
<u>Feeder Cattle Futures</u>							
November '24	254.300	247.225	↑	7.08	219.325	↑	34.98
January '25	253.125	245.650	↑	7.47	222.725	↑	30.40
March '25	254.350	246.525	↑	7.82	226.675	↑	27.68
April '25	254.800	246.900	↑	7.90	230.475	↑	24.33
<u>Corn Futures</u>							
December '24	425.500	424.000	↑	1.50	463.250	↓	-37.75
March '25	435.250	435.250	↓	0.00	482.500	↓	-47.25
May '25	442.500	442.750	↓	-0.25	494.500	↓	-52.00
July '25	446.000	447.000	↓	-1.00	503.750	↓	-57.75
<u>Ch Wheat Futures</u>							
December '24	544 1/4	536 1/2	↑	7.75	548 3/4	↓	-4.50
March '25	564 3/4	554	↑	10.75	647 1/2	↓	-82.75
May '25	575	562 3/4	↑	12.25	652 3/4	↓	-77.75
July '25	582 3/4	570	↑	12.75	650 1/2	↓	-67.75

<i>Slaughter Information</i>	<i>7 Days Ending</i>	<i>7 Days Ending</i>	<i>Change From Last Week</i>		<i>7 Days Ending</i>	<i>Change From Last Year</i>	
	23-Nov-24	16-Nov-24			25-Nov-23		
<u>Total Cattle Slaughter</u>	631,000	606,000	↑	25,000	534,500	↑	96,500
	9-Nov-24	2-Nov-24			11-Nov-23		
Total Cow Slaughter	111,556	110,748	↑	808	135,100	↓	-23,544
Dairy Cow Slaughter	51,855	48,295	↑	3,560	54,000	↓	-2,145
Beef Cow Slaughter	59,701	62,453	↓	-2,752	81,100	↓	-21,399

TABLE 7 - US BEEF IMPORTS

(Source: USDA/AMS)

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

week 46	11/18/2023	11/16/2024		
Argentina	22,706	30,451	7,745	34.1%
Australia	197,874	319,757	121,883	61.6%
Brazil	84,500	154,689	70,189	83.1%
Canada	316,857	283,394	(33,463)	-10.6%
Chile	20	1	(19)	-95.0%
Costa Rica	6,784	10,065	3,281	48.4%
France	-	-	-	
Honduras	19	-	(19)	-100.0%
Ireland	1,908	4,002	2,094	109.7%
Japan	1,187	1,333	146	12.3%
Mexico	239,298	199,048	(40,250)	-16.8%
Namibia	-	-	-	
Netherlands	-	-	-	
New Zealand	160,091	167,790	7,699	4.8%
Nicaragua	46,301	46,347	46	0.1%
Spain	-	-	-	
Uruguay	47,024	82,662	35,638	75.8%
Total	1,124,571	1,299,539	174,968	15.6%

Source: AMS - USDA

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

Imports as of November 16, 2024

Analysis by Steiner Consulting

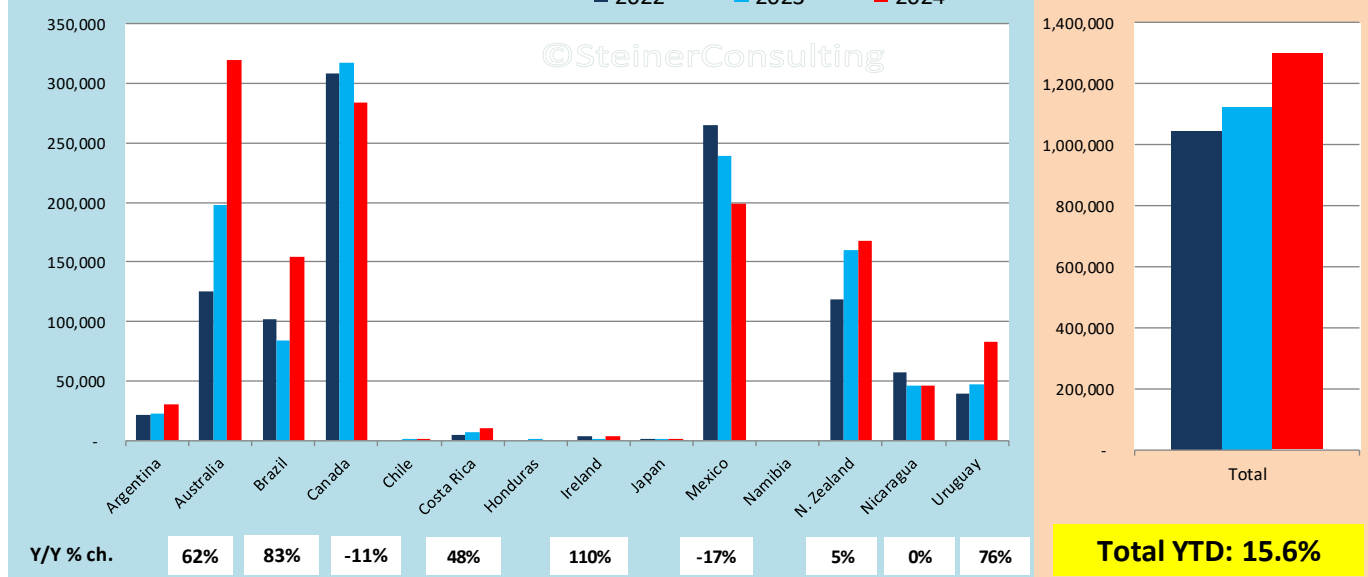
Individual Country Volume. MT & Y/Y % Ch.

■ 2022

■ 2023

■ 2024

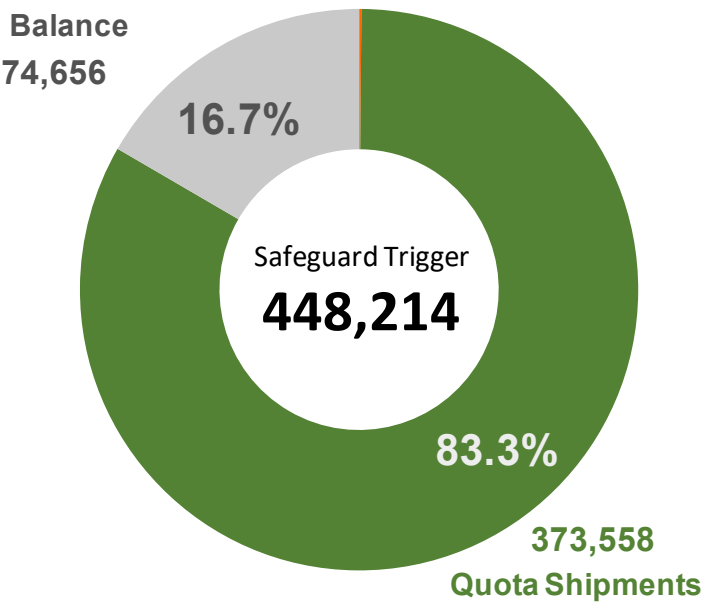
Total



Australian Beef Quota Position

21-Nov-24

Metric Ton. Australian Department of Agriculture Statistics



There is no tariff quota as FTA provisions have been phased out. 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 November 18. Metric Ton

Data source: US Customs. Analysis by Steiner Consulting

