



US Imported Beef Market

A Weekly Update

Prepared Exclusively for [Meat & Livestock Australia - Sydney](#)

Volume 25, Issue 19

May 3, 2024

Prepared by: Steiner Consulting Group | [SteinerConsulting.com](#) | 800-526-4612 | [service@steinerconsulting.com](#)

Market Highlights for the Week:

- US cow/bull slaughter last week estimated at 121k head, down 12% from a year ago and 20% lower than two years ago. Supply expected to hover around these levels for much of spring and summer.
- Cow prices are currently up 30% since the start of the year and up by more than 60% since January 2023. This increase is double the rate observed in the past 15 years.
- Australian beef exports in April were up 46% from a year ago, with shipments to the US up 117% while shipments to China down 11%.
- Plenty of talk about Chinese beef demand slowing down. However, the slowdown make more sense if we consider that in Q1 Chinese beef imports were up 21% y/y. With plenty of supply on hand, Chinese buyers can afford to bid the market down.
- US choice beef cutout values were lower than the previous week. Fed beef production in the past four weeks up by almost 5% from a year ago.

Imported Market Activity for the Week

The imported beef market had a decidedly softer undertone last week, with more supply available from a number of sources at a time when buyers appear to be well covered on frozen lean beef and unwilling to extend coverage. Much was made of more supply available from South America but ideas about volume were hard to come by. Large buyers continue to note that sales are slow and this has changed their inventory assessment.

But with that said, the reality is that forward supply remains well short of demand. Buyers that have a longer horizon clearly recognize this and are already planning for Q3 and beyond. Interesting to note that there was a willingness to pay a premium to spot market to cover risk past three month delivery. Domestic fresh lean beef prices have been at steady levels in the last four weeks. Generally demand slows down a bit once retailers have covered needs for Memorial Day. Depend-

Seasonality in the Price of 90% Cutter (lean) Cows

Data source: USDA-AMS. Analysis by Steiner Consulting

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Jan	120.8	135.7	144.2	157.6	197.7	135.5	106.4	100.9	87.4	93.2	101.6	127.8	136.9	171.1
Feb	135.8	151.5	148.5	170.3	198.8	140.2	108.5	110.7	97.1	102.2	109.7	128.4	145.6	180.7
Mar	140.4	154.9	154.7	182.1	207.0	145.6	119.3	107.7	97.7	109.3	112.2	135.2	160.1	205.5
Apr	147.7	154.9	151.4	186.0	208.5	145.3	122.9	106.5	88.7	101.6	118.3	145.6	166.6	223.1
May	147.2	160.7	146.7	186.4	209.5	141.9	128.9	105.5	95.1	115.1	116.2	143.5	171.3	221.6
Jun	140.6	158.1	146.4	190.3	207.6	142.7	130.9	104.8	95.5	121.6	122.7	147.0	180.2	#N/A
Jul	132.9	143.5	148.5	209.4	204.3	140.8	128.2	110.4	98.6	118.1	126.1	150.1	186.7	#N/A
Aug	124.9	141.3	151.3	217.4	197.5	138.7	125.5	107.9	102.7	117.4	128.8	151.3	192.5	#N/A
Sep	113.0	145.5	151.5	211.6	185.2	126.4	118.2	102.9	98.6	117.4	129.3	151.5	191.0	#N/A
Oct	115.3	142.7	143.4	204.7	157.9	113.4	114.9	99.6	92.5	117.4	131.5	141.1	182.0	#N/A
Nov	115.8	140.3	143.2	204.4	147.9	105.9	102.1	84.8	84.4	97.0	127.0	135.4	175.0	#N/A
Dec	127.1	141.6	149.8	205.0	127.5	99.3	98.3	85.4	85.5	98.6	126.4	135.8	167.7	#N/A
Average	130.1	147.6	148.3	193.8	187.4	131.3	117.0	102.3	93.6	109.1	120.8	141.1	171.3	
Y/Y %		13%	1%	31%	-3%	-30%	-11%	-13%	-8%	16%	11%	17%	21%	

ing on sales during the biggest beef consumption holiday of the year, retailers will plan on reorders going into the summer.

Domestic cow slaughter remains well below year ago levels and that is likely to persist. While there is some seasonality in cow prices during the course of the year, rolling up the relative movement in price will depend greatly on timeframe selection. Rather than provide a seasonal factor that could be misleading, we thought it would be interesting to provide a visual of the price movements in a year (see table on page 1). There are years when the highest prices for the year are in Q2 and other years when it is in Q3. The price series available to us goes only back to 2011. In the last two years the highest cow prices for the year have happened in Aug/Sep. Will that be the case again this year? It should be noted that in the last two years prices started from relatively low levels at the start of the year. This year, however, the January cow price was already 25% higher than the previous year and between January and May prices have increased 30%. The 30% increase YTD is the highest of all the other periods in the last 12 years. Another way to put the recent price increase in context is to compare where prices in May are relative to January of the previous year (e.g. May 2024 vs. Jan 2023). The 62% increase of the last year and a half is about double what we have observed previously. In our report dated March 22 we outlined how an expected price of domestic 90CL boneless beef of around 340 for the year would imply the one of the strongest demand years of the last three decades. Considering that prices are already at those levels, what is the upside/downside risk considering current demand environment? Clearly something in the mind of lean beef buyers and processors.

Other market notes:

Australian export update. Our initial estimate was for Australian exports to the US to double vs. a year ago. The final figure was above that. Total shipments to the US in April were 27,257 MT, 1175 higher than the limited exports of a year ago. In the first four months of the year, Australian beef exports to the US were a little over 95k MT, 45k MT (+88%) higher than a year ago. When we talk about more imported beef available, that number is key. The table about shows the volume of beef

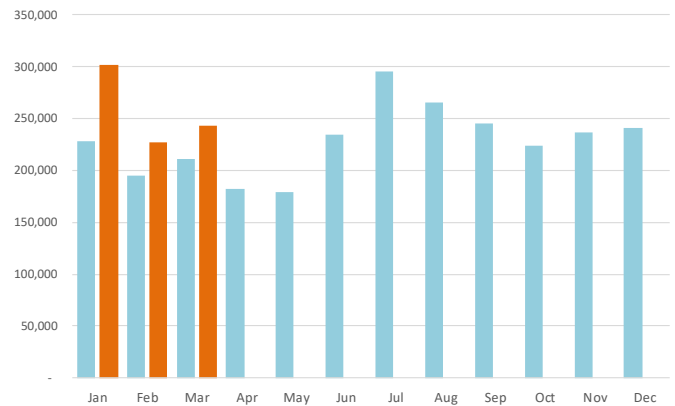
Summary of Australian Beef and Veal Exports: April 2024

Source: MAFF. Analysis by Steiner Consulting

	Apr 2023	Mar 2024	Apr 2024	MT y/y ch.	% ch. m/m	% ch. y/y
Japan	15,225	21,007	21,731	6,507	3%	43%
South Korea	13,586	14,946	15,785	2,199	6%	16%
Taiwan	2,034	2,306	2,343	309	2%	15%
China	16,745	16,484	14,888	(1,857)	-10%	-11%
Total Asia	56,015	72,249	69,701	13,685	-4%	24%
USA East	10,297	20,012	20,812	10,515	4%	102%
USA West	2,250	6,434	6,412	4,163	0%	185%
Hawaii	-	38	33	33		
Total USA	12,547	26,484	27,257	14,710	3%	117%
Indonesia	4,066	10,299	7,958	3,892	-23%	96%
Philippines	1,315	2,669	1,786	470	-33%	36%
Total EU	508	1,007	1,285	777	28%	153%
Total Middle East	1,710	3,133	3,613	1,903	15%	111%
Other Markets	4,329	8,238	8,722	4,393	6%	101%
Total Aus	72,063	106,573	105,367	33,303	-1%	46%

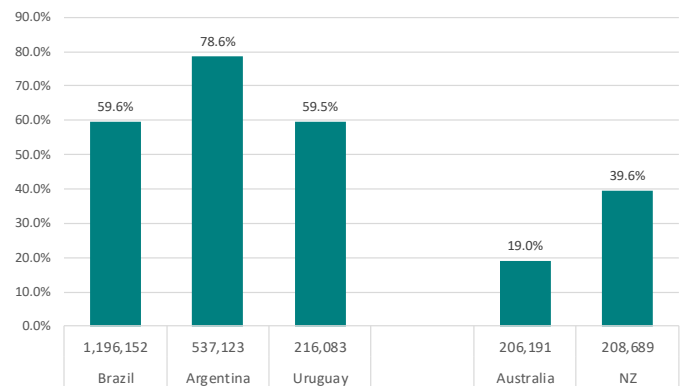
Chinese Beef Imports in 2023 and Q1 of 2024

Source: Chinese Customs Admi. Analysis by Steiner Consulting



China Share of Exports from Major Global Beef Suppliers in 2023

% Share and Volume of Fresh/Frozen Beef Exported to China. Analysis by Steiner Consulting



going to other markets. One number that stands out is the decline in beef exports to China. In the first four months of the year Australian beef exports to China were around 61k MT, just 2% high-

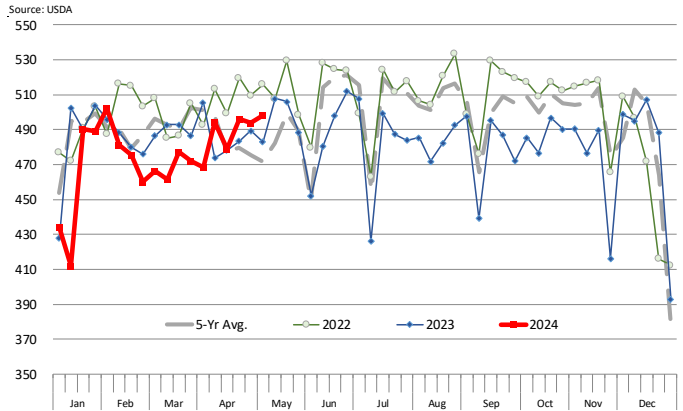
er than a year ago. And yet, Chinese beef imports in the first quarter of the year were up by double digits. Much of the increase was due to the +300k MT imported in January from the top four suppliers plus robust imports from Brazil and Argentina in February and March. Now market participants are wondering what happens when Chinese buyers and exporters eventually slow down the pace of imports in order to draw down some of the accumulated inventory. In the first three months of the year total Chinese beef imports were 22% higher than a year ago vs. an expected increase of 3% for the year.

Could the potential slowdown in Chinese demand result in more South American beef showing up in the US? It has been a topic of conversation although largely speculative. We thought it would be interesting to illustrate how dependent the three big South American exporting countries are on Chinese demand. And also show the sheer volumes that were exported to China from these three suppliers in 2023.

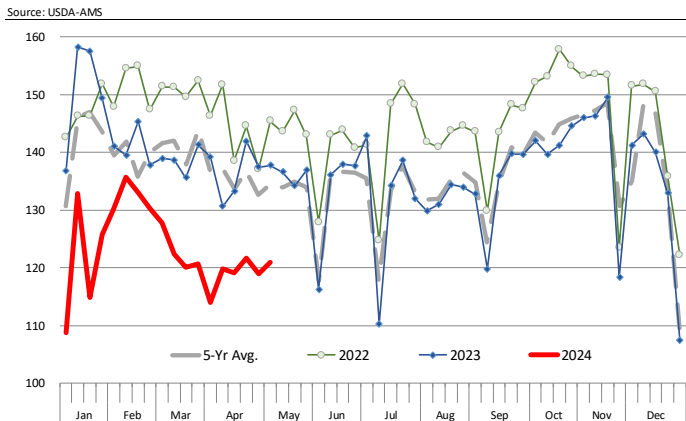
US cattle slaughter shows fed and non-fed going in opposite direction.

Our initial estimate is for fed cattle slaughter last week at 498k head, up 4k head from the previous week and 15k head (+3%) higher than a year ago. In the last four weeks fed cattle slaughter is estimated at 1.934 million head, 33k head (+1.7%) higher than a year ago. During this time fed cattle weights have been on average 3% higher than last year, implying an almost 5% increase in fed beef production. The choice cutout has been running under last year, largely reflecting the impact of higher supply rather than a dramatic demand pullback. We estimate that cow/bull slaughter last week was 121k head, roughly the same level it has been for the last few weeks, down 17k from a year ago. In the four weeks ending May 4 cow/bull slaughter was estimated at 550k head, 70k head (-12.6%) lower than a year ago. Cow weights have been higher, which has offset some of the reduction in non fed supplies. Still, market remains well short of lean grinding beef, which helps explain current record price levels.

WEEKLY STEER AND HEIFER SLAUGHTER. '000 HEAD



WEEKLY COW & BULL SLAUGHTER. '000 HEAD

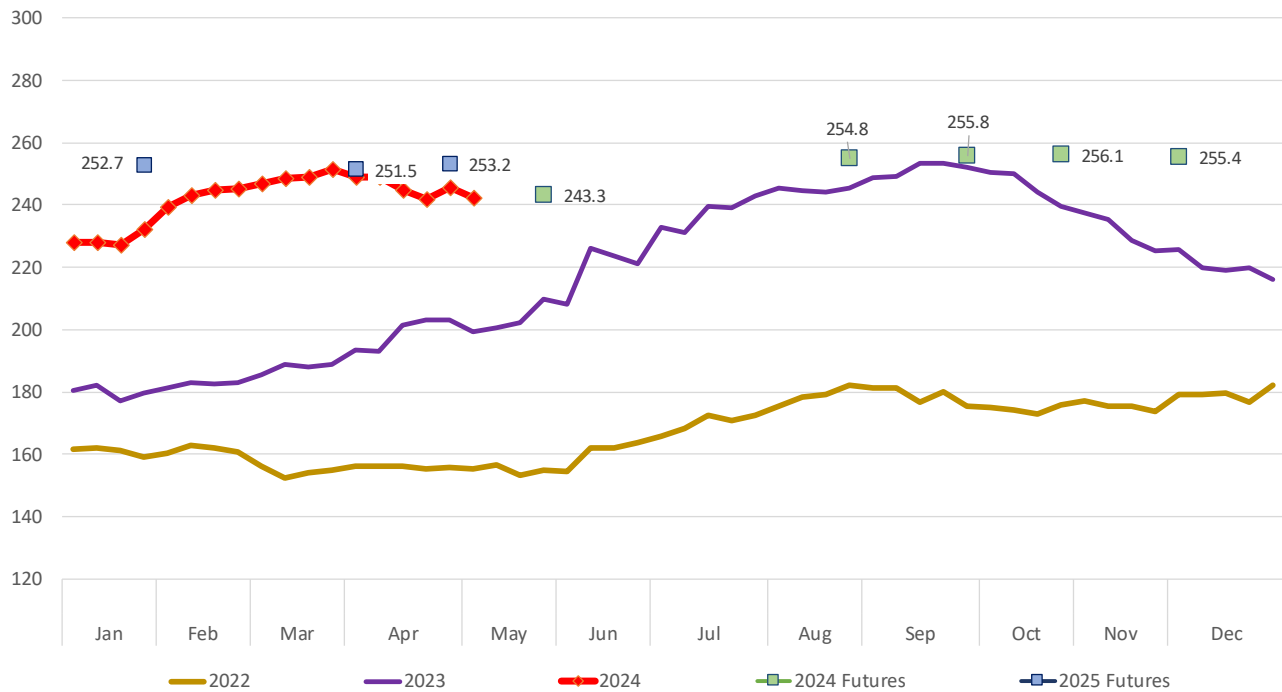


CME Cattle Feeder Index and US Cattle Markets

	Current Week	Prior Week	% CHANGE VS. WK AGO	Last Year	Change from Last Year
	2-May-24	25-Apr-24		4-May-23	
CME FEEDER CATTLE INDEX	242.39	245.53	-1.3%	199.46	21.5%
	3-May-24	26-Apr-24		5-May-23	
FED STEER (5-MKT AVG)	186.24	183.54	1.5%	174.35	6.8%
CUTTER COW CARCASS, NATIONAL, 90% LEAN, 350-400 LB. (carcass wt.)	221.50	221.50	0.0%	168.00	31.8%
BONER COW CARCASS, NATIONAL, 85% LEAN, 400-500 LB. (carcass wt.)	226.00	222.50	1.6%	179.00	26.3%
BREAKER COW CARCASS, NATIONAL, 75% LEAN, 500+ (carcass wt.)	227.50	230.00	-1.1%	180.50	26.0%
CUTTER COW CARCASS CUTOUT, 5-DAY MA, USDA	269.66	269.86	-0.1%	219.53	22.8%

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
	3-May-24		26-Apr-24			5-May-23		
<u>US East Coast Australian/NZ Lean, CIF</u>								
95 CL Bull, E. Coast	290.0	290.0	291.0		-1.0	274.0	275.0	15.0
90 CL Blended Cow	280.0	280.0	282.0		-2.0	252.0	255.0	25.0
90 CL Shank	275.0	277.0	280.0		-3.0	245.0	250.0	27.0
85 CL Fores	270.0	271.0	273.0		-2.0	245.0	247.0	24.0
85 CL Chucks	UNQ		UNQ		N/A	UNQ		N/A
95 CL Bull, W. Coast	290.0		290.0		0.0	274.0	275.0	15.0
Uruguay CFH 90CL, E. Coast	UNQ		UNQ		N/A	UNQ		N/A
<u>US East Coast, Trimmings, CIF</u>								
85 CL Trimmings	270.0	270.0	271.0		-1.0	244.0	245.0	25.0
80 CL Trimmings	230.0	234.0	230.0		4.0	210.0	215.0	19.0
75 CL Trimmings	UNQ		200.0		N/A	205.0	206.0	N/A
65 CL Trimmings	UNQ	130.0	135.0		N/A	UNQ		N/A
<u>US East Coast Australian Cuts, CIF</u>								
Cap Off Steer Insides	345.0	340.0	345.0		0.0	310.0	315.0	30.0
Steer Insides 14/18	UNQ		UNQ		N/A	UNQ		N/A
Steer Flats	298.0	300.0	305.0		-5.0	275.0	280.0	20.0
Steer Knuckles	290.0	295.0	300.0		-5.0	300.0	305.0	-10.0

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

	Current Week		Prior Week		Change From Last Week	Last Year		Change From Last Year
	3-May-24		26-Apr-24			5-May-23		
<u>US East Coast Australian/NZ Lean, FOB US Port</u>								
95 CL Bull, E. Coast	297.0	300.0	300.0	304.0	-4.0	286.0	288.0	12.0
90 CL Blended Cow	288.0	290.0	290.0	291.0	-1.0	264.0	265.0	25.0
90 CL Shank	285.0	287.0		290.0	-3.0		259.0	28.0
85 CL Fores	282.0	283.0	283.0	284.0	-1.0	254.0	255.0	28.0
85 CL Chucks		UNQ		UNQ	N/A		UNQ	N/A
95 CL Bull, W. Coast	296.0	298.0	300.0	301.0	-3.0	286.0	287.0	11.0
Uruguay CFH 90CL, E. Coast		UNQ		UNQ	N/A		UNQ	N/A
<u>US East Coast, Trimmings, FOB US Port</u>								
85 CL Trimmings	280.0	281.0	281.0	282.0	-1.0	253.0	254.0	27.0
80 CL Trimmings	240.0	241.0	240.0	241.0	0.0	225.0	226.0	15.0
75 CL Trimmings		205.0		205.0	0.0	214.0	215.0	-10.0
65 CL Trimmings	140.0	145.0	140.0	145.0	0.0		UNQ	N/A
<u>US East Coast Australian Cuts, FOB US Port</u>								
Cap Off Steer Insides	360.0	365.0	360.0	365.0	0.0	330.0	335.0	30.0
Steer Insides 14/18		UNQ		UNQ	N/A		UNQ	N/A
Steer Flats	320.0	325.0		330.0	-5.0	295.0	300.0	25.0
Steer Knuckles	310.0	315.0	310.0	315.0	0.0	315.0	320.0	-5.0

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	
	3-May-24			26-Apr-24				5-May-23	
	Low	High	Wt.Avg	Low	High	Wt.Avg		Low High Wt.Avg	
<u>Domestic Cutouts</u>									
Choice Cutout		294.20			297.14		-2.9	309.19	-15.0
Select Cutout		287.65			288.72		-1.1	288.16	-0.5
<u>Domestic Lean Grinding Beef</u>									
90 CL Boneless	342.5	355.5	346.8	341.9	355.5	346.4	0.4	268.5 310.0 278.4	68.4
85 CL Beef Trimmings	317.0	341.0	326.4	317.0	341.0	326.4	0.0	245.0 267.5 255.2	71.2
50 CL Beef Trim	65.0	95.0	78.6	73.0	90.0	83.8	-5.2	186.0 206.1 197.3	-118.7
<u>Domestic Pork Trim</u>									
42 CL Pork Trim	64.0	97.0	74.2	55.0	103.0	76.5	-2.2	44.0 75.0 52.0	22.2
72 CL Pork Trim	87.0	124.6	102.6	92.0	123.8	103.0	-0.4	60.5 94.9 66.6	36.0
<u>Point of Lean Values</u>									
90 CL Domestic		385.3			384.9		0.5	309.3	76.0
50 CL Beef Trimming		157.2			167.5		-10.3	394.6	-237.5
42 CL Pork Trim		176.8			182.1		-5.3	123.9	52.9
72 CL Pork Trim		142.5			143.1		-0.6	92.5	50.0
<u>National Direct Fed Steer (5-day accum. wt. avg. price)</u>		186.24			183.54		2.7	174.35	11.9

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
	3-May-24	26-Apr-24			5-May-23		
<u>Live Cattle Futures</u>							
June '24	176.675	178.575	↓	-1.90	161.925	↑	14.75
August '24	174.575	176.775	↓	-2.20	159.500	↑	15.08
October '24	178.050	180.600	↓	-2.55	163.575	↑	14.48
December '24	182.375	184.875	↓	-2.50	168.150	↑	14.23
<u>Feeder Cattle Futures</u>							
May '24	243.300	248.700	↓	-5.40	202.525	↑	40.78
August '24	254.750	260.550	↓	-5.80	221.425	↑	33.33
September '24	255.775	261.575	↓	-5.80	225.050	↑	30.73
October '24	256.125	261.725	↓	-5.60	227.500	↑	28.63
<u>Corn Futures</u>							
May '24	447.000	440.000	↑	7.00	653.250	↓	-206.25
July '24	460.250	450.000	↑	10.25	596.500	↓	-136.25
September '24	469.250	459.000	↑	10.25	537.000	↓	-67.75
December '24	482.750	473.500	↑	9.25	534.750	↓	-52.00
<u>Ch Wheat Futures</u>							
May '24	606	603 1/4	↑	2.75	647	↓	-41.00
July '24	622 1/2	622 1/4	↑	0.25	660 1/4	↓	-37.75
September '24	643	641 3/4	↑	1.25	671 1/2	↓	-28.50
December '24	668 1/2	665 3/4	↑	2.75	687 1/4	↓	-18.75

Slaughter Information	7 Days Ending	7 Days Ending	Change From Last		7 Days Ending	Change From	
			Week	Week		Last Year	Last Year
	4-May-24	27-Apr-24			6-May-23		
<u>Total Cattle Slaughter</u>	619,000	613,000	↑	6,000	622,800	↓	-3,800
	20-Apr-24	13-Apr-24			22-Apr-23		
<u>Total Cow Slaughter</u>	110,997	108,838	↑	2,159	130,700	↓	-19,703
<u>Dairy Cow Slaughter</u>	55,101	55,058	↑	43	60,800	↓	-5,699
<u>Beef Cow Slaughter</u>	55,896	53,780	↑	2,116	69,900	↓	-14,004

TABLE 7 - US BEEF IMPORTS

(Source: USDA/AMS)

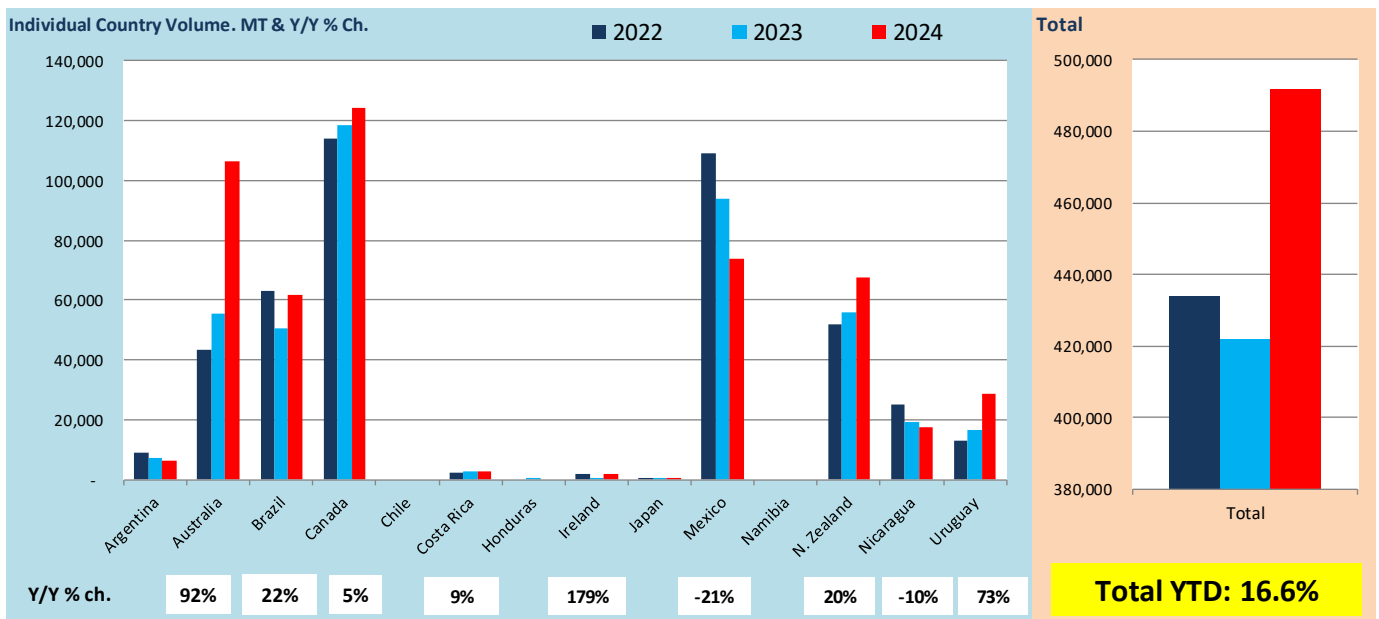
YTD Imported Fresh/Frz Beef Passed for Entry in the US

week 17	4/29/2023	4/27/2024		
Argentina	7,318	6,541	(777)	-10.6%
Australia	55,562	106,459	50,897	91.6%
Brazil	50,490	61,695	11,205	22.2%
Canada	118,293	124,152	5,859	5.0%
Chile	-	-	-	
Costa Rica	2,792	3,054	262	9.4%
France	-	-	-	
Honduras	19	-	(19)	-100.0%
Ireland	710	1,980	1,270	178.9%
Japan	667	591	(76)	-11.4%
Mexico	93,844	73,794	(20,050)	-21.4%
Namibia	-	-	-	
Netherlands	-	-	-	
New Zealand	56,079	67,394	11,315	20.2%
Nicaragua	19,474	17,611	(1,863)	-9.6%
Spain	-	-	-	
Uruguay	16,507	28,604	12,097	73.3%
Total	421,776	491,875	70,099	16.6%

Source: AMS - USDA

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

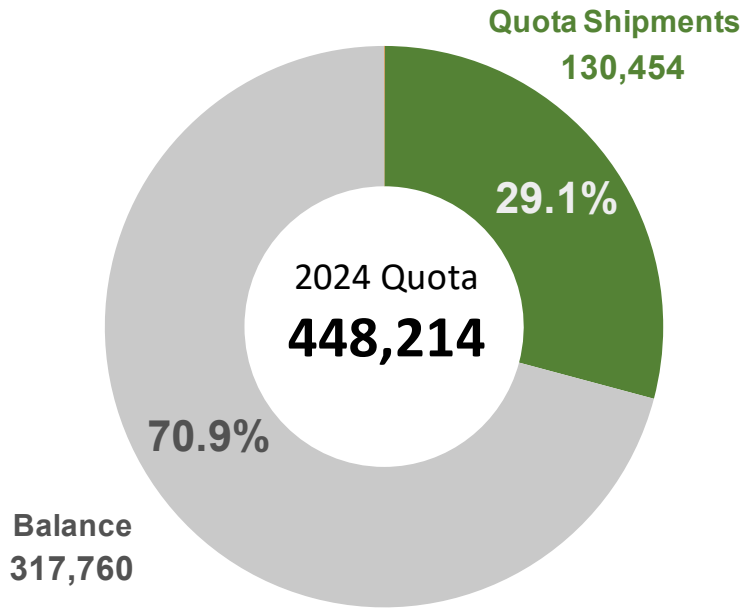
Imports as of April 27, 2024



Australian Beef Quota Position

25-Apr-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 April 29. Metric Ton

Data source: US Customs. Analysis by Steiner Consulting

