



US Imported Beef Market

A Weekly Update

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

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Market Highlights for the Week:

- Imported beef prices continued to climb last week, following domestic lean beef values and fed cattle prices higher.
- US fed cattle prices last week quoted at \$195/cwt, about \$20/cwt higher than what futures were suggesting not very long ago. Feedlots continue to have the upper hand, forcing packers to pay up during a key demand time of year.
- US pasture conditions are still in better shape than the last two years, allowing producers to bring the culling rate down to a more “normal” level. But more recently ratings have slipped and this will be a key number to watch this summer.
- Brazilian beef shipments to the US surprised many, jumping over 10k MT. Lower cattle prices in Brazil have been a factor for much of the year but the strong US dollar has only added to the incentive to ship product to the US.
- New Zealand cow slaughter was around 40k head/week in mid May but it is likely half that at this point and will be under 10k head/week by early September, limiting supply coming to the US during Aug-Oct.
- Cattle on feed survey surprised everyone, with total inventory at about the same level as last year and placements higher than in May 2023.

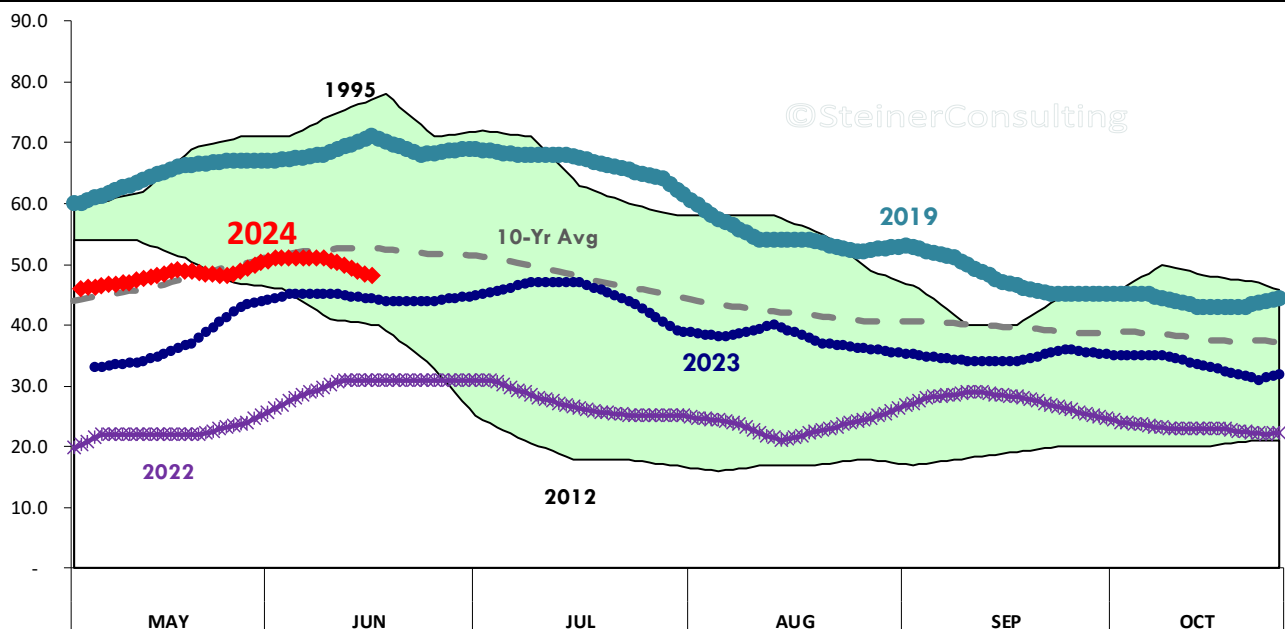
Imported Market Activity for the Week

Imported beef prices continued to march higher last week, following the upward trend in US lean beef values, overall wholesale beef prices and new record cattle prices. Lower fed cattle futures back in April and May and uncertainty about demand caused end users/buyers to sit on the sidelines. Many already had adequately covered Q2 needs. Eventually, however, positions get shorter

and the recent rally was a reminder of the need to stay ahead of the market. The fact that fed cattle values and choice beef cutout have been resilient post Memorial Day was also a surprise. The dog days of the summer may be around the corner (it already feels like mid July in some areas), but for buyers the primary goal at the moment is to maintain coverage, especially in light of record domestic lean beef prices. Those that can use imported in their formulations are already maximizing inclu-

US PASTURE CONDITIONS: 30 YEAR HISTORY. GOOD/EXCELLENT %

Latest week is for June 16, 2024. Data: USDA/NASS. Analysis by Steiner Consulting



sion. The discount of imported to domestic has in some cases surpassed 80 cents a pound, which would be a record high in dollar terms. However, the discount so far this year has been almost exactly the same as it was in 2015.

The question going forward is whether the discount of imported beef will be sustained in the second half of the year. History tells you it will not (see chart). During the last cyclical lows, the biggest spread happened in May and June, period when domestic supply declines, imported supply increases and retail/foodservice demand driving this tends to be at its peak. As we move past Labor Day grilling demand slows down, domestic culling rate seasonally improves (it still remains below year ago) and there is less imported beef in the market, primarily from New Zealand. If you are a buyer, the incentive is to continue to book needs now given the wide spread to domestic.

Imported round prices continue to trade very firm, a function of firm prices for domestic round cuts. Last year, US domestic round and chuck beef prices took off in August as retailers started to lay the groundwork for fall features. That memory and record domestic cattle prices have buyers of imported rounds raising their bids to get needs covered.

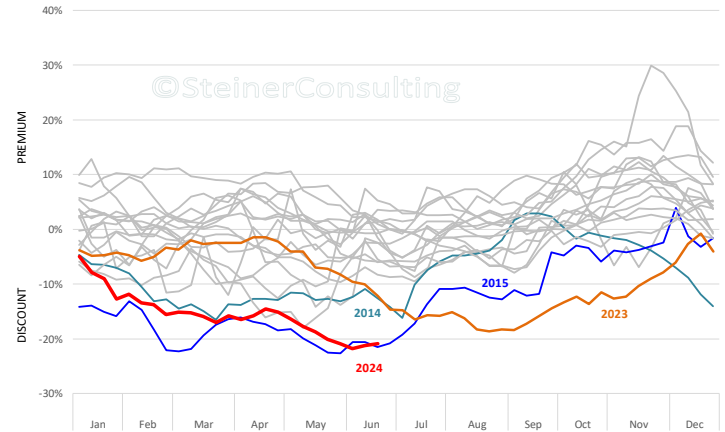
Other Market notes:

Brazilian cattle prices remain under 2023. As we noted in our report last week, Brazilian shipments to the US were a little over 10k MT, more than what was shipped in March and April combined. All along the thinking was that if US imported beef prices continued to trend higher, it would help offset the impact of the 26.4% tariff. However, it is also important to remember that Brazilian cattle prices have been trading well below year ago levels for much of this year. The strong US dollar only adds to the incentive to ship to the US despite the high tariff. In the last month, the US dollar has gained 6% vs. the Brazilian Real.

Will pasture conditions deteriorate in July. In the last two weeks pasture conditions have started to slip and that trend may continue now that high temps and lack of moisture impacts large portions of the country. For the week ending June 16 USDA noted that 48% of pastures and ranges were in good/excellent condition. This was 3 points

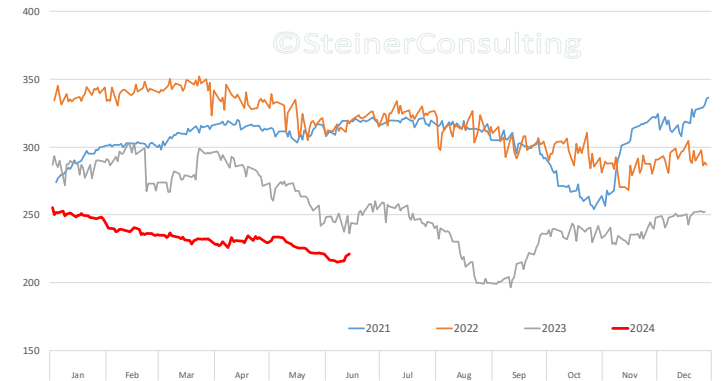
% DISCOUNT OR PREMIUM OF 90CL IMPORTED VS. 90CL DOMESTIC. 2005 - 2024

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



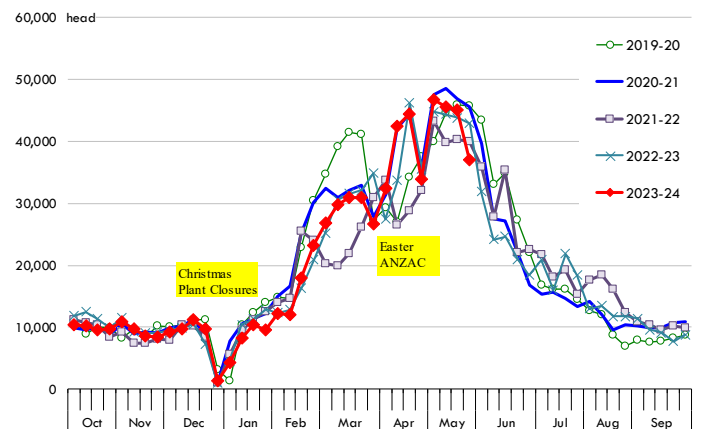
PRICES FOR FINISHED CATTLE IN BRAZIL. PRICE IN BRAZILIAN REAL PER ARROBO (15KG)

Source: CEPEA. Analysis by Steiner Consulting



New Zealand Weekly Cow Slaughter

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



lower than at the start of the month. Pasture rating is still about 4 points higher than a year ago and far better than the 31% rating in 2022. The improvement has allowed producers to return to a more “normal” culling rate this spring. Expectations are for cow slaughter to remain well below year ago levels through the summer, in part because there are simply fewer cows out there. However, feed availability will dictate the magnitude of the short-

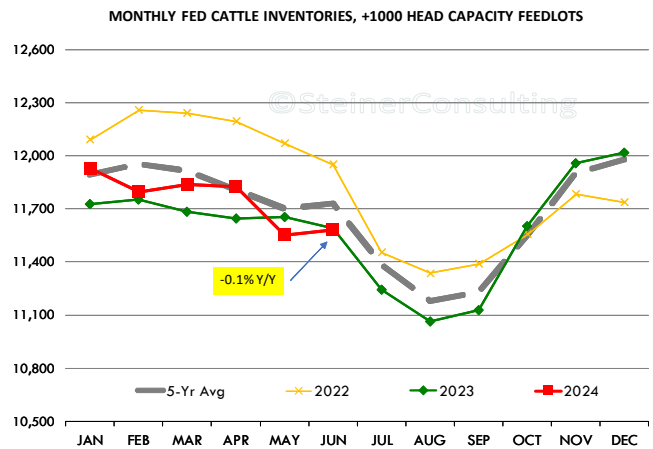
fall. This will be a topic we will surely return a few times between now and the end of August.

New Zealand slaughter is on the way down.

New Zealand slaughter is reported with a three week delay because that’s what New Zealand authorities have decided helps producers. But the trajectory in slaughter is so predictable that it’s not difficult to surmise where things stand. The latest slaughter data for week ending May 25 pegged total cow slaughter at near 37k head, 5.9k head (-14%) from a year ago. Since then, it’s fair to think that slaughter has declined substantially and it’s currently around 20-22k head. Cow slaughter in New Zealand will then drift even lower in July and August and by September should be under 10k head/week. The decline will limit the amount of beef New Zealand suppliers are willing/able to show for delivery Aug-Oct, one of the reasons we noted as contributing to the tightening spread between domestic and imported beef.

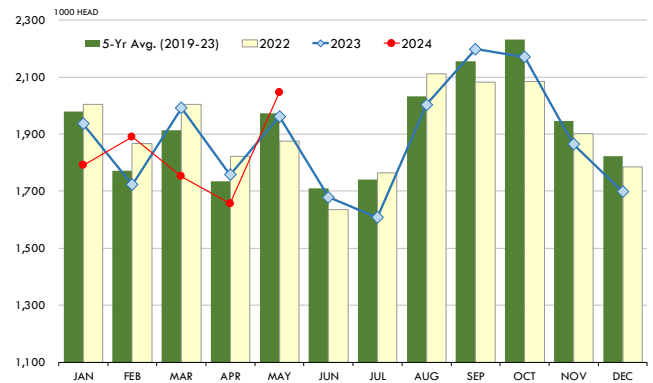
May placements surprise everyone.

Among the analysts polled the highest estimate pegged May placements up 2.4% vs. a year ago and only two analysts had placements higher than last year. Looking at the structure of placements, numbers were up across all categories. But when we look at regional placements, placements in Texas were up 50k head (+11%) vs. a year ago and placements in Nebraska were up 45k head (+10%). These increases offset lower placement figures from most other states. Higher imports are clearly impacting the increase in Texas placements, with imports from Mexico up almost 38k head y/y. The increase in Nebraska is more puzzling and suggests that producers continue to push female calves into feedlots rather than hold them back. Last year Ne-



PLACEMENTS OF CATTLE ON FEED, +1000 CAPACITY FEEDLOTS

Source: USDA 'Cattle on Feed' Survey



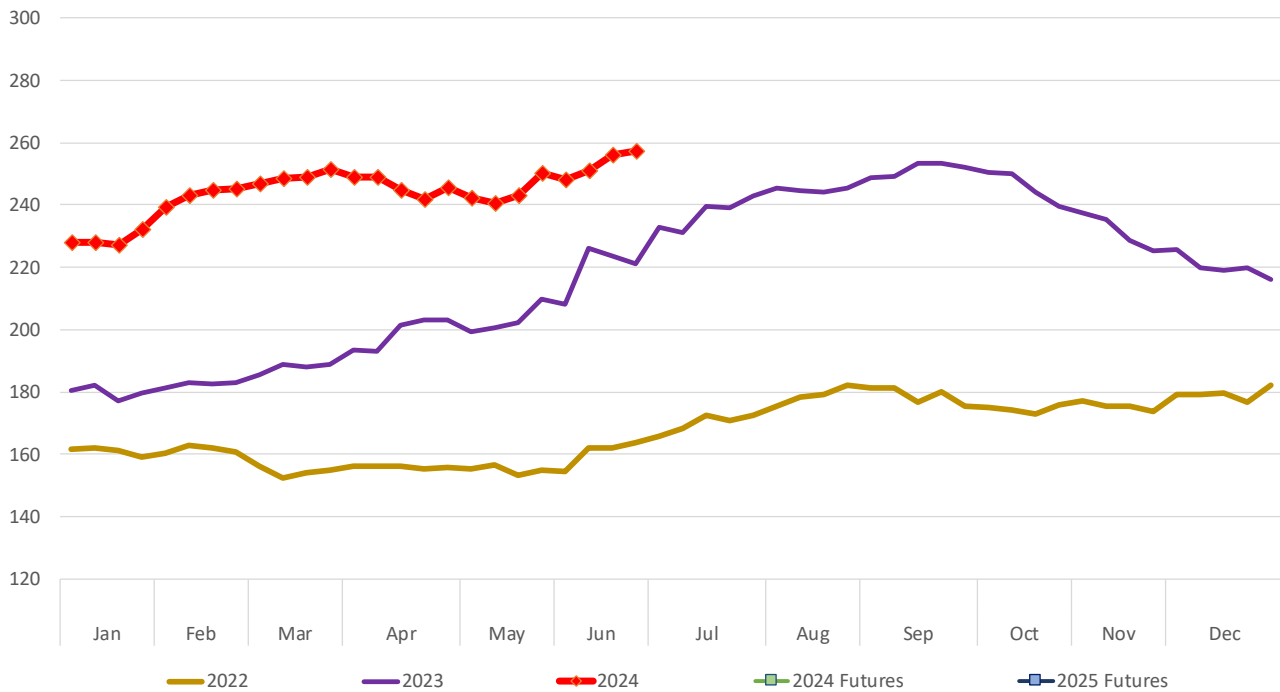
braska placements in may were up 14% from a year ago so this is not a matter of comparing to a low base. There’s simply more calves going into feedlots rather than held back. Placements were higher across all categories, limiting the impact that sometimes uneven placements have on spreads.

CME Cattle Feeder Index and US Cattle Markets

	Current Week	Prior Week	% CHANGE VS. WK AGO	Last Year	Change from Last Year
	20-Jun-24	13-Jun-24		22-Jun-23	
CME FEEDER CATTLE INDEX	257.47	256.13	0.5%	221.00	16.5%
	21-Jun-24	14-Jun-24		23-Jun-23	
FED STEER (5-MKT AVG)	195.05	190.95	2.1%	176.97	10.2%
CUTTER COW CARCASS, NATIONAL, 90% LEAN, 350-400 LB. (carcass wt.)	235.50	232.00	1.5%	179.00	31.6%
BONER COW CARCASS, NATIONAL, 85% LEAN, 400-500 LB. (carcass wt.)	236.50	234.00	1.1%	183.50	28.9%
BREAKER COW CARCASS, NATIONAL, 75% LEAN, 500+ (carcass wt.)	241.00	237.50	1.5%	188.00	28.2%
CUTTER COW CARCASS CUTOUT, 5-DAY MA, USDA	285.77	283.16	0.9%	232.06	23.1%

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
	21-Jun-24	29-Jun-24	14-Jun-24	21-Jun-24		23-Jun-23	23-Jun-23	
<u>US East Coast Australian/NZ Lean, CIF</u>								
95 CL Bull, E. Coast	287.0	290.0	285.0	287.0	3.0	260.0	265.0	25.0
90 CL Blended Cow	275.0	278.0	274.0	275.0	3.0	235.0	239.0	39.0
90 CL Shank	265.0	270.0		265.0	5.0		245.0	25.0
85 CL Fores	265.0	268.0	264.0	265.0	3.0	223.0	225.0	43.0
85 CL Chucks		UNQ		UNQ	N/A		UNQ	N/A
95 CL Bull, W. Coast	286.0	288.0	284.0	286.0	2.0	260.0	264.0	24.0
Uruguay CFH 90CL, E. Coast		UNQ		UNQ	N/A		UNQ	N/A
<u>US East Coast, Trimmings, CIF</u>								
85 CL Trimmings	264.0	266.0	263.0	264.0	2.0	221.0	223.0	43.0
80 CL Trimmings	235.0	236.0	234.0	235.0	1.0		210.0	26.0
75 CL Trimmings	205.0	207.0	200.0	205.0	2.0		200.0	7.0
65 CL Trimmings	140.0	145.0	140.0	145.0	0.0	150.0	155.0	-10.0
<u>US East Coast Australian Cuts, CIF</u>								
Cap Off Steer Insides	350.0	355.0		350.0	5.0	300.0	305.0	50.0
Steer Insides 14/18		UNQ		UNQ	N/A		UNQ	N/A
Steer Flats	310.0	315.0	305.0	310.0	5.0	290.0	295.0	20.0
Steer Knuckles	300.0	305.0	295.0	300.0	5.0		UNQ	N/A

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

	Current Week		Prior Week		Change From Last Week	Last Year		Change From Last Year
	21-Jun-24	30-Jun-24	14-Jun-24	21-Jun-24		23-Jun-23	23-Jun-23	
<u>US East Coast Australian/NZ Lean, FOB US Port</u>								
95 CL Bull, E. Coast	304.0	305.0	295.0	298.0	7.0	270.0	273.0	32.0
90 CL Blended Cow	289.0	290.0	282.0	283.0	7.0	245.0	248.0	42.0
90 CL Shank		280.0		275.0	5.0	250.0	255.0	25.0
85 CL Fores	278.0	279.0	272.0	273.0	6.0	230.0	231.0	48.0
85 CL Chucks		UNQ		UNQ	N/A		UNQ	N/A
95 CL Bull, W. Coast	302.0	304.0	295.0	296.0	8.0	270.0	271.0	33.0
Uruguay CFH 90CL, E. Coast		UNQ		UNQ	N/A		UNQ	N/A
<u>US East Coast, Trimmings, FOB US Port</u>								
85 CL Trimmings		277.0	270.0	272.0	5.0	228.0	229.0	48.0
80 CL Trimmings	242.0	243.0	241.0	242.0	1.0	220.0	222.0	21.0
75 CL Trimmings	212.0	214.0	210.0	213.0	1.0	210.0	212.0	2.0
65 CL Trimmings	154.0	155.0		155.0	0.0	160.0	170.0	-15.0
<u>US East Coast Australian Cuts, FOB US Port</u>								
Cap Off Steer Insides	365.0	370.0	360.0	365.0	5.0	340.0	345.0	25.0
Steer Insides 14/18		UNQ		UNQ	N/A		UNQ	N/A
Steer Flats	325.0	335.0	320.0	325.0	10.0	300.0	315.0	20.0
Steer Knuckles	315.0	320.0	310.0	315.0	5.0	310.0	320.0	0.0

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
	21-Jun-24	14-Jun-24			23-Jun-23		
<u>Live Cattle Futures</u>							
June '24	187.600	186.825	↑	0.78	177.500	↑	10.10
August '24	183.150	183.175	↓	-0.03	170.775	↑	12.38
October '24	183.625	184.850	↓	-1.22	174.500	↑	9.13
December '24	186.075	187.700	↓	-1.62	178.700	↑	7.38
<u>Feeder Cattle Futures</u>							
August '24	258.375	261.975	↓	-3.60	233.950	↑	24.43
September '24	259.900	262.700	↓	-2.80	237.700	↑	22.20
October '24	260.625	263.100	↓	-2.48	240.150	↑	20.48
November '24	260.500	262.825	↓	-2.32	241.175	↑	19.33
<u>Corn Futures</u>							
July '24	435.000	450.000	↓	-15.00	630.750	↓	-195.75
September '24	440.500	457.000	↓	-16.50	584.750	↓	-144.25
December '24	453.250	470.250	↓	-17.00	588.000	↓	-134.75
March '25	464.000	481.250	↓	-17.25	596.250	↓	-132.25
<u>Ch Wheat Futures</u>							
July '24	561 1/2	612 3/4	↓	-51.25	733 1/4	↓	-171.75
September '24	575 3/4	628 1/2	↓	-52.75	746 1/2	↓	-170.75
December '24	599 3/4	650 1/4	↓	-50.50	761 3/4	↓	-162.00
March '25	618 1/4	666 3/4	↓	-48.50	778 1/2	↓	-160.25

Slaughter Information	7 Days Ending	7 Days Ending	Change From Last		7 Days Ending	Change From	
			Week	Week		Last Year	Last Year
	22-Jun-24	15-Jun-24			24-Jun-23		
<u>Total Cattle Slaughter</u>	0	615,000	↓	-615,000	649,600	↓	-649,600
	8-Jun-24	1-Jun-24			10-Jun-23		
<u>Total Cow Slaughter</u>	102,314	90,725	↑	11,589	125,100	↓	-22,786
<u>Dairy Cow Slaughter</u>	46,599	42,920	↑	3,679	57,300	↓	-10,701
<u>Beef Cow Slaughter</u>	55,715	47,805	↑	7,910	67,800	↓	-12,085

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

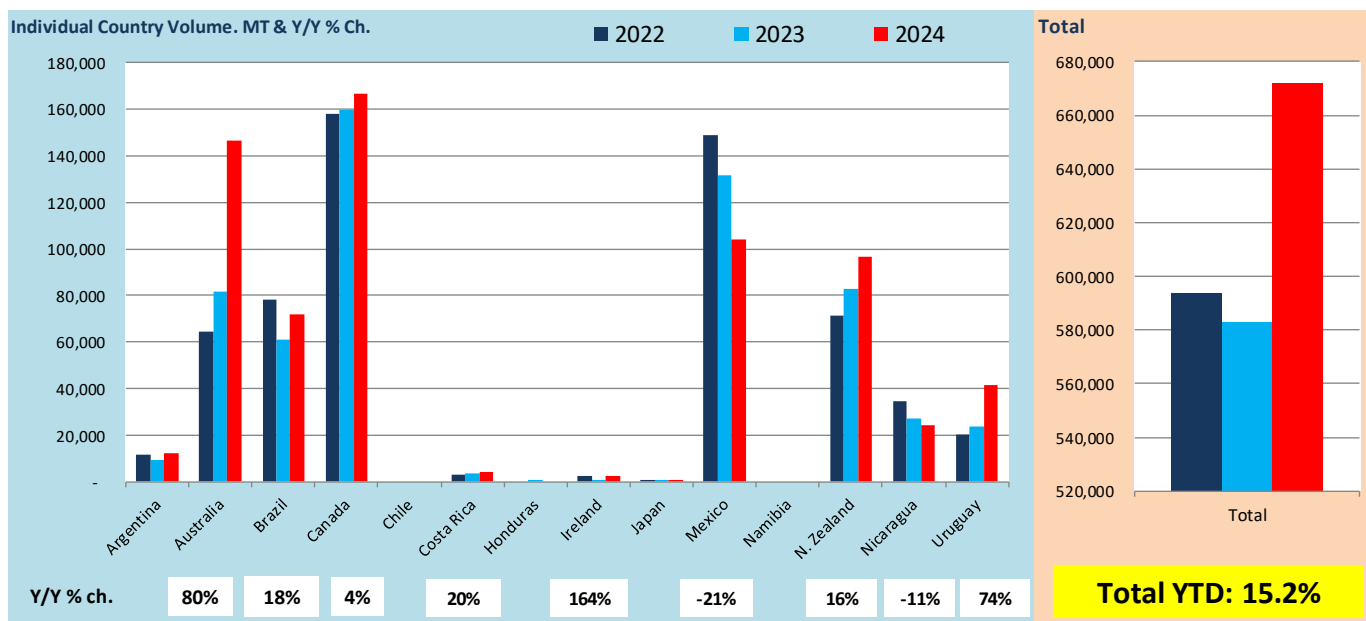
YTD Imported Fresh/Frz Beef Passed for Entry in the US

week 24	6/17/2023	6/15/2024		
Argentina	9,647	12,196	2,549	26.4%
Australia	81,485	146,526	65,041	79.8%
Brazil	61,089	72,155	11,066	18.1%
Canada	159,666	166,602	6,936	4.3%
Chile	-	-	-	
Costa Rica	3,639	4,359	720	19.8%
France	-	-	-	
Honduras	19	-	(19)	-100.0%
Ireland	944	2,491	1,547	163.9%
Japan	770	755	(15)	-1.9%
Mexico	131,581	104,245	(27,336)	-20.8%
Namibia	-	-	-	
Netherlands	-	-	-	
New Zealand	83,046	96,587	13,541	16.3%
Nicaragua	27,228	24,318	(2,910)	-10.7%
Spain	-	-	-	
Uruguay	23,922	41,539	17,617	73.6%
Total	583,056	671,773	88,717	15.2%

Source: AMS - USDA

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

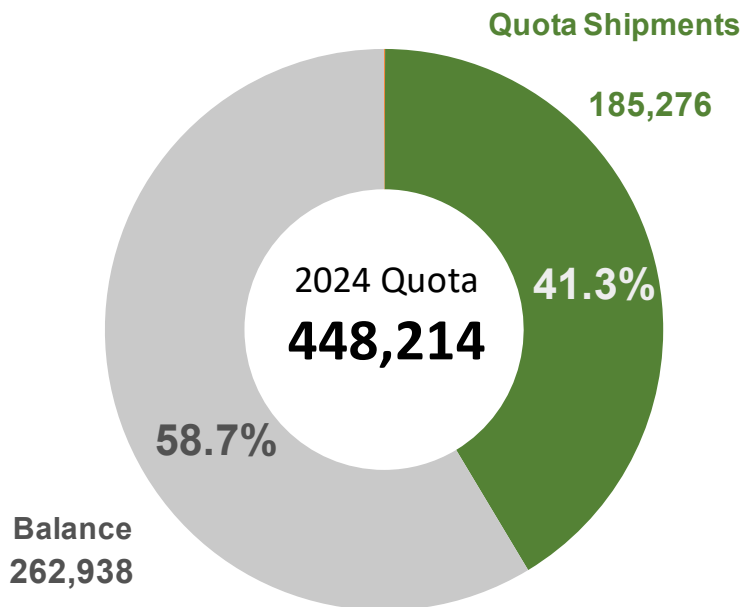
Imports as of June 15, 2024



Australian Beef Quota Position

20-Jun-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 June 17. Metric Ton

Data source: US Customs. Analysis by Steiner Consulting

