



US Imported Beef Market

A Weekly Update

Prepared Exclusively for Meat & Livestock Australia - Sydney

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Market Highlights for the Week:

- Volatility in outside markets and futures injected more uncertainty in the market and buyers were content to sit on the sidelines and see how market develops.
- Ground beef demand remains robust, which continues to limit the supply of lean cow meat. Sharply higher prices for fat trim also point to strong ground beef sales going into Labor Day.
- US cow/bull slaughter remains limited as pasture conditions are in much better shape than a year ago and culling rate has returned to historical levels.
- Steiner estimates are for cow slaughter in Q4 to be down 13% from a year ago. Per capita availability of cow meat is now expected to be as low as it was in 2014 and, just like then, down by double digits from the previous year.
- Australian beef shipments to the US in July were 61% higher than a year ago. Brazilian beef shipments to the US in July were 3x higher than a year ago and up 48% overall.

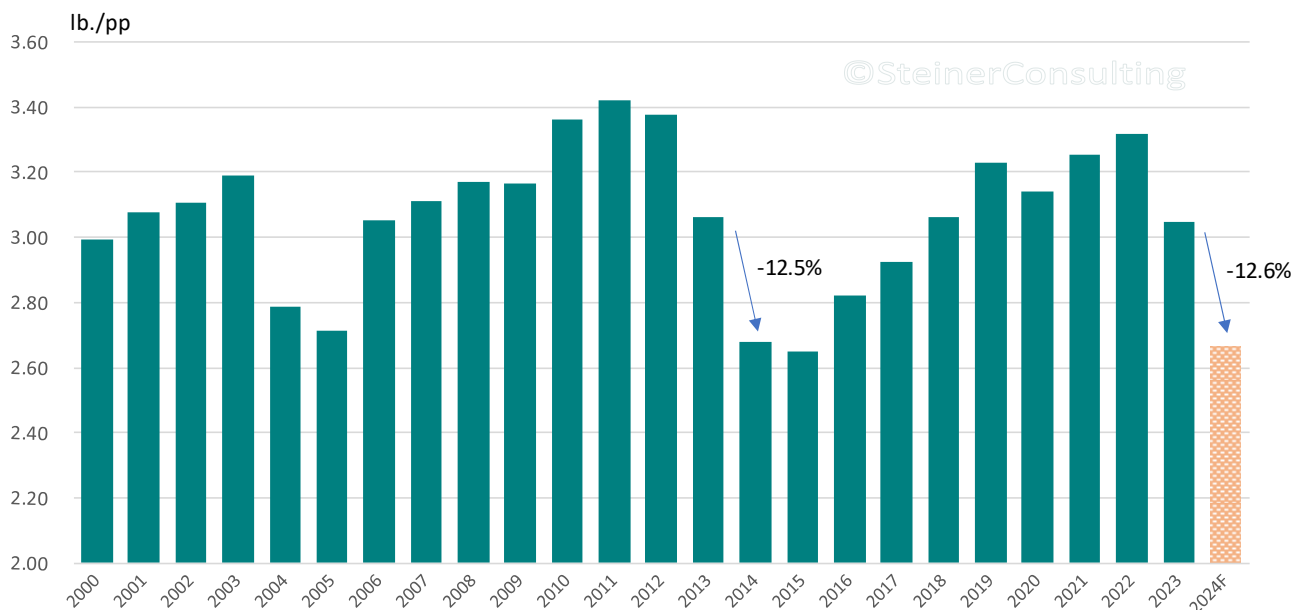
Imported Market Activity for the Week

Imported beef trade was limited. Buyers were content to sit on the sidelines considering all the noise and volatility in outside markets and livestock futures. While equities by the end of the week ended up where they closed the week prior, fed and feeder cattle futures are down 5% and 7%, respectively, from two weeks ago. Market participants were quickly reminded of last year's Q4

price collapse and the drag of expensive inventories. The supply of imported beef on the water remains significant (see discussion on page 2) so in the near term the onus appears to be on overseas suppliers to push a bit more aggressively to move product. This has yet to show up in price action although it remains visible in the wide discount of imported beef to domestic fresh. The trading ranges noted this week were also a bit wider than the week before. One item that continues to trade

Q4 US Cow Meat Production on a Per Capita Basis. Carcass Wt. Equivalent

Data source: USDA-NASS. Analysis by Steiner Consulting



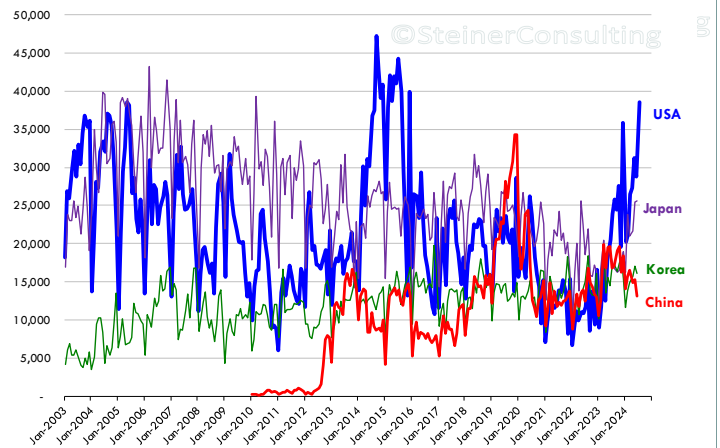
extremely firm is bull meat as availability from New Zealand is at seasonal lows. As we noted last week, bull slaughter in New Zealand during July was significantly lower than year ago and long run averages and availability will remain limited well into the fall. Bull meat was the only item registering increases last week even as fat values have surged higher. Hard to find items command premiums. As for other items, much of the activity was for 85CL product, trading in a wider range than the previous week. As for round cuts, prices were steady to lower. Domestic prices are not holding up as well as some expected. Usually we see prices for domestic round cuts (fed product) move higher into September and October on higher retail features. However, with record prices persisting through much of the summer, retail activity may be slower than in years past.

Other market notes

- Q4 cow meat supply to remain limited, match 2014 lows. The chart on page 1 shows our current ideas on domestic cow meat availability in Q4. Rather than just present a slaughter chart, we went one step further and calculated the quarterly cow meat production levels (on a carcass weight basis) and then adjusted the volume on a per capita basis. While cow meat production in Q4 of this year will be higher than it was in 2014, when we account for the increase in population in the last decade volume is expected to match the lows from that year and be down by double digits from a year ago. Here's our numbers: We expect cow slaughter in Q4 of this year to be down 216k head (-13%) from a year ago. Cow slaughter so far this year has been down by double digits due to both fewer beef and dairy cows coming to market. The decline in the beef cow herd and a return to a more "normal" culling rate all but assures that beef cow slaughter numbers will be down. As for dairy cow slaughter, lack of replacement heifers, a y/y decline in the dairy herd and robust dairy prices are expected to limit the number of dairy cows going to market. Cow carcass weights have been running heavier than a year ago and that will help shave about 1% from the decline in slaughter. Cow production on a carcass weight basis for Q4 is expected to be 906 million pounds or 2.66 pounds per person compares to 2.68 pounds in Q4 2014. Further paralleling 2014, per capita production in 2024 is expected

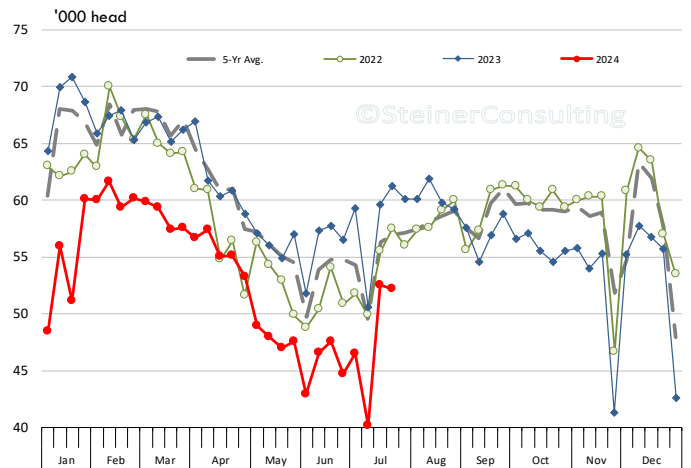
Australian Monthly Beef Exports to Key Markets

Data source: DAFF. Analysis by Steiner Consulting



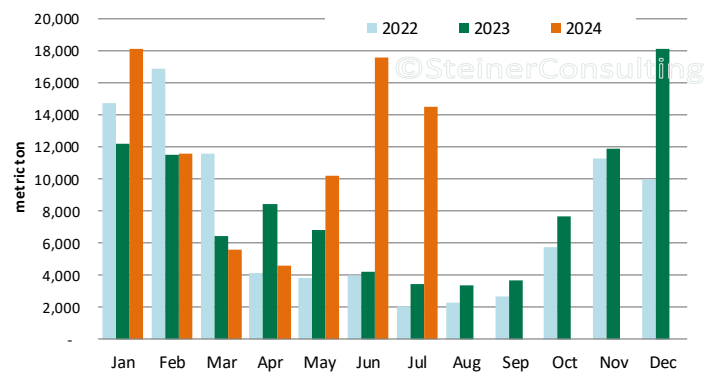
Weekly Dairy Cow Slaughter. '000 Head

Data source: USDA-NASS. Analysis by Steiner Consulting



Brazilian Exports of Fresh/Frozen Beef to the US in 2022, 2023 & 2024

Data source: COMEX. Analysis by Steiner Consulting. Data in MT Shipped Wt.



to be down 12.6% y/y and down 23% from two years ago. In 2014 Q4 per capita production was down 12.5% y/y and down 22% from two years prior.

- Big July Australian shipments could be even bigger in August. Export data for July confirmed earlier estimates. Shipments of Australian beef to the US in July were 38,540 MT, 14,630 MT

(+61%) higher than a year ago. Total Australian shipments in July were near 130k MT, 34% higher than a year ago. USA share in July was 29.6%. We have only a small data set of shipments in August but, if current trends persists, Australian beef shipments to the US in August could be as high as 40k MT. So far US share is running at 35%.

- **Brazil shipments were big in July.** Brazilian shipments to the US in June were truly surprising, surpassing 17k MT, a 3x increase vs. June of last year. Brazil has no quota left so product is paying the higher tariff, we assume not much is going into bonded warehouses this early. July shipments were a bit lower but big nonetheless. Exports to the US market last month were 14,475 MT compared to just 3,444 MT in July 2023. Total Brazilian beef exports in July were 237,267 MT, a stunning 76k MT (+48%) increase from a year ago. Year to date Brazilian beef shipments to the US market have been 82k MT, 29k MT (+55%) higher than a year ago. Our initial estimates were for Brazilian shipments to the US to potentially hit 100,000 MT in 2024. At this pace we could get to that level by September.

December 2024 Fed Cattle Futures



November 2024 Feeder Cattle Futures

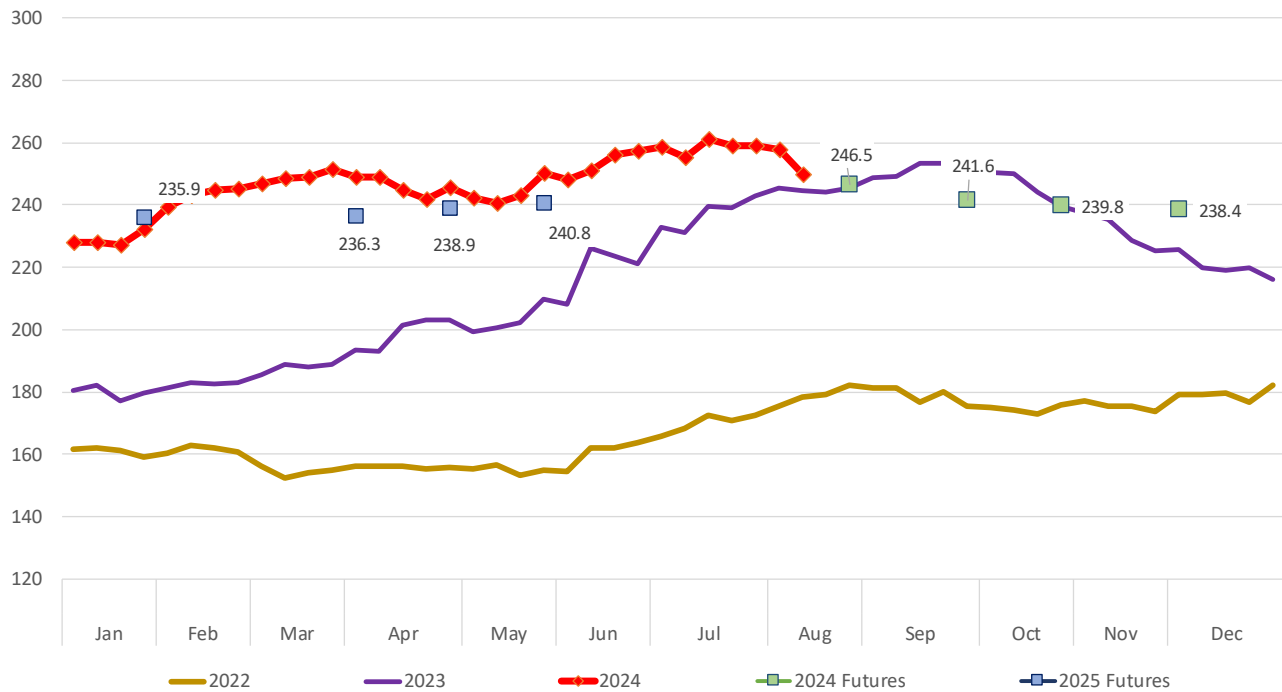


CME Cattle Feeder Index and US Cattle Markets

	Current Week	Prior Week	% CHANGE VS. WK AGO	Last Year	Change from Last Year
	8-Aug-24	1-Aug-24		10-Aug-23	
CME FEEDER CATTLE INDEX	249.71	257.72	-3.1%	244.52	2.1%
	9-Aug-24	2-Aug-24		11-Aug-23	
FED STEER (5-MKT AVG)	192.47	195.72	-1.7%	186.95	3.0%
CUTTER COW CARCASS, NATIONAL, 90% LEAN, 350-400 LB. (carcass wt.)	244.50	243.50	0.4%	192.50	27.0%
BONER COW CARCASS, NATIONAL, 85% LEAN, 400-500 LB. (carcass wt.)	253.00	254.00	-0.4%	197.50	28.1%
BREAKER COW CARCASS, NATIONAL, 75% LEAN, 500+ (carcass wt.)	254.50	253.50	0.4%	196.00	29.8%
CUTTER COW CARCASS CUTOUT, 5-DAY MA, USDA	293.13	292.67	0.2%	234.58	25.0%

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
	9-Aug-24	308.0	2-Aug-24	306.0		11-Aug-23		
<u>US East Coast Australian/NZ Lean, CIF</u>								
95 CL Bull, E. Coast	307.0	308.0	305.0	306.0	2.0	252.0	255.0	53.0
90 CL Blended Cow	290.0	291.0	290.0	292.0	-1.0	232.0	236.0	55.0
90 CL Shank	280.0	285.0		285.0	0.0	230.0	232.0	53.0
85 CL Fores	274.0	275.0	274.0	275.0	0.0	214.0	215.0	60.0
85 CL Chucks		UNQ		UNQ	N/A		UNQ	N/A
95 CL Bull, W. Coast	306.0	308.0	304.0	305.0	3.0	252.0	254.0	54.0
Uruguay CFH 90CL, E. Coast		UNQ		UNQ	N/A		UNQ	N/A
<u>US East Coast, Trimmings, CIF</u>								
85 CL Trimmings	273.0	274.0	272.0	274.0	0.0	212.0	214.0	60.0
80 CL Trimmings	245.0	246.0	247.0	248.0	-2.0	195.0	200.0	46.0
75 CL Trimmings	205.0	210.0	210.0	211.0	-1.0	180.0	185.0	25.0
65 CL Trimmings		UNQ		150.0	N/A		140.0	N/A
<u>US East Coast Australian Cuts, CIF</u>								
Cap Off Steer Insides	355.0	360.0	358.0	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	323.0	324.0	-4.0	280.0	290.0	30.0
Steer Knuckles	310.0	312.0	312.0	314.0	-2.0	290.0	295.0	17.0

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

	Current Week		Prior Week		Change From Last Week	Last Year		Change From Last Year
	9-Aug-24		2-Aug-24			11-Aug-23		
<u>US East Coast Australian/NZ Lean, FOB US Port</u>								
95 CL Bull, E. Coast	318.0	320.0	317.0	318.0	2.0	260.0	262.0	58.0
90 CL Blended Cow	298.0	300.0	298.0	300.0	0.0	240.0	245.0	55.0
90 CL Shank	290.0	295.0		295.0	0.0		240.0	55.0
85 CL Fores	284.0	287.0	284.0	285.0	2.0	223.0	225.0	62.0
85 CL Chucks		UNQ		UNQ	N/A		UNQ	N/A
95 CL Bull, W. Coast	317.0	318.0	315.0	316.0	2.0	260.0	261.0	57.0
Uruguay CFH 90CL, E. Coast		UNQ		UNQ	N/A		UNQ	N/A
<u>US East Coast, Trimmings, FOB US Port</u>								
85 CL Trimmings	284.0	285.0	283.0	284.0	1.0	220.0	222.0	63.0
80 CL Trimmings	250.0	254.0	255.0	256.0	-2.0	210.0	212.0	42.0
75 CL Trimmings	215.0	220.0	220.0	225.0	-5.0	190.0	191.0	29.0
65 CL Trimmings		UNQ	160.0	165.0	N/A	150.0	155.0	N/A
<u>US East Coast Australian Cuts, FOB US Port</u>								
Cap Off Steer Insides	365.0	370.0	370.0	375.0	-5.0	345.0	355.0	15.0
Steer Insides 14/18		UNQ		UNQ	N/A		UNQ	N/A
Steer Flats	330.0	335.0	330.0	340.0	-5.0	300.0	305.0	30.0
Steer Knuckles		320.0	320.0	325.0	-5.0	305.0	310.0	10.0

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	
<u>Domestic Cutouts</u>	9-Aug-24			2-Aug-24				11-Aug-23			
Choice Cutout	312.71			313.77			-1.1	302.61			10.1
Select Cutout	298.59			297.17			1.4	277.23			21.4
<u>Domestic Lean Grinding Beef</u>											
90 CL Boneless	361.0	381.5	373.0	367.3	396.0	376.2	-3.1	293.0	301.9	296.0	77.0
85 CL Beef Trimmings	330.0	369.0	348.7	323.0	363.5	349.1	-0.4	258.0	296.0	276.6	72.1
50 CL Beef Trim	139.0	185.5	168.0	139.0	185.1	158.8	9.3	122.0	177.0	139.2	28.8
<u>Domestic Pork Trim</u>											
42 CL Pork Trim	88.0	115.0	97.4	68.8	103.0	82.9	14.5	100.5	129.0	106.2	-8.9
72 CL Pork Trim	102.6	138.6	113.8	100.0	133.6	111.4	2.4	99.0	159.8	111.0	2.8
<u>Point of Lean Values</u>											
90 CL Domestic	414.5			418.0			-3.5	328.9			85.6
50 CL Beef Trimming	336.0			317.5			18.5	278.5			57.6
42 CL Pork Trim	231.9			197.3			34.5	253.0			-21.1
72 CL Pork Trim	158.1			154.7			3.3	154.2			3.9
<u>National Direct Fed Steer (5-day accum. wt. avg. price)</u>	192.47			195.72			-3.3	186.95			5.5

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
	9-Aug-24	2-Aug-24			11-Aug-23		
<u>Live Cattle Futures</u>							
August '24	184.250	184.100	↑	0.15	180.375	↑	3.88
October '24	181.150	182.075	↓	-0.92	181.325	↓	-0.17
December '24	179.600	182.200	↓	-2.60	185.450	↓	-5.85
February '25	180.050	183.325	↓	-3.27	189.225	↓	-9.17
<u>Feeder Cattle Futures</u>							
August '24	246.500	249.650	↓	-3.15	247.750	↓	-1.25
September '24	241.600	248.150	↓	-6.55	251.450	↓	-9.85
October '24	239.775	246.575	↓	-6.80	252.875	↓	-13.10
November '24	238.400	245.325	↓	-6.92	253.275	↓	-14.88
<u>Corn Futures</u>							
September '24	376.750	386.500	↓	-9.75	474.500	↓	-97.75
December '24	395.000	403.250	↓	-8.25	487.250	↓	-92.25
March '25	412.500	420.750	↓	-8.25	501.250	↓	-88.75
May '25	424.000	432.000	↓	-8.00	510.000	↓	-86.00
<u>Ch Wheat Futures</u>							
September '24	542 1/2	539	↑	3.50	626 3/4	↓	-84.25
December '24	565 3/4	562 1/4	↑	3.50	653 3/4	↓	-88.00
March '25	584 1/4	583 1/2	↑	0.75	733 1/2	↓	-149.25
May '25	596 1/4	595 1/4	↑	1.00	734	↓	-137.75

Slaughter Information	7 Days Ending	7 Days Ending	Change From Last		7 Days Ending	Change From	
			Week	Week		Last Year	Last Year
	10-Aug-24	3-Aug-24			12-Aug-23		
<u>Total Cattle Slaughter</u>	591,000	593,000	↓	-2,000	603,000	↓	-12,000
	27-Jul-24	20-Jul-24			29-Jul-23		
<u>Total Cow Slaughter</u>	102,212	108,479	↓	-6,267	121,000	↓	-18,788
<u>Dairy Cow Slaughter</u>	51,183	52,208	↓	-1,025	60,100	↓	-8,917
<u>Beef Cow Slaughter</u>	51,029	56,271	↓	-5,242	60,900	↓	-9,871

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

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

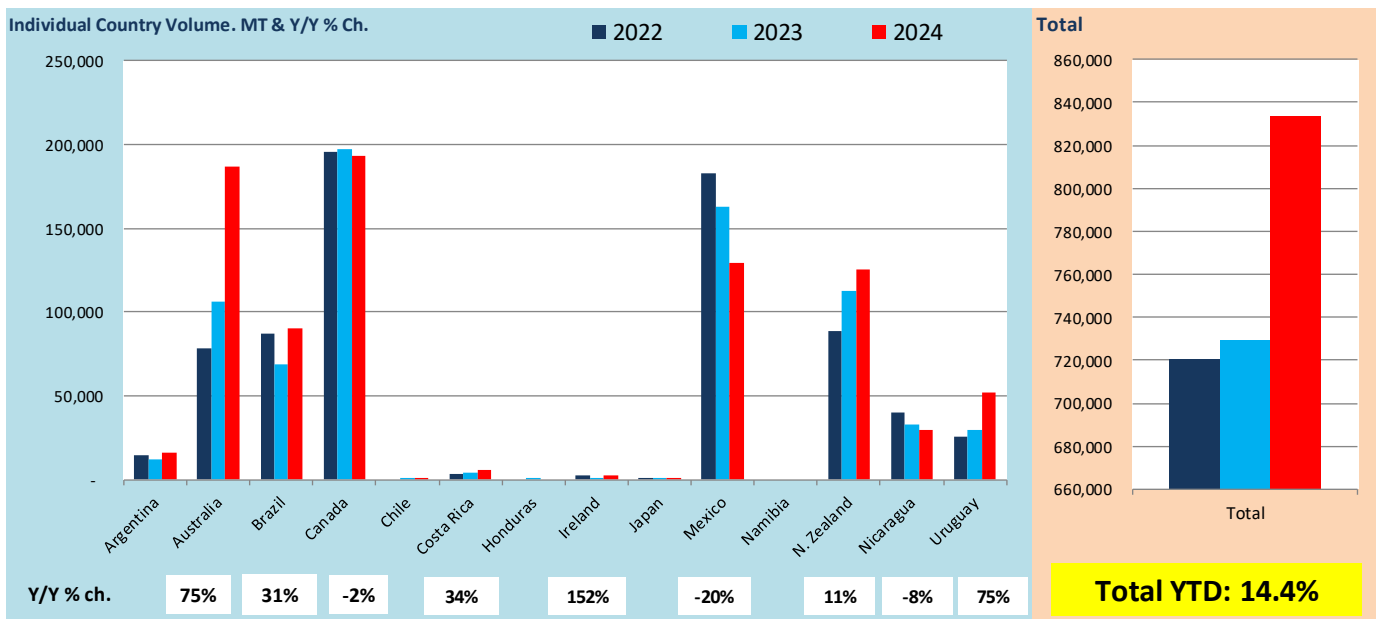
week 30	7/29/2023	7/27/2024		
Argentina	12,191	16,670	4,479	36.7%
Australia	106,679	186,838	80,159	75.1%
Brazil	68,553	90,015	21,462	31.3%
Canada	197,246	193,263	(3,983)	-2.0%
Chile	20	1	(19)	-95.0%
Costa Rica	4,405	5,881	1,476	33.5%
France	-	-	-	
Honduras	19	-	(19)	-100.0%
Ireland	1,144	2,887	1,743	152.4%
Japan	860	886	26	3.0%
Mexico	162,801	129,730	(33,071)	-20.3%
Namibia	-	-	-	
Netherlands	-	-	-	
New Zealand	112,748	125,461	12,713	11.3%
Nicaragua	32,705	30,047	(2,658)	-8.1%
Spain	-	-	-	
Uruguay	29,731	52,140	22,409	75.4%
Total	729,103	833,818	104,715	14.4%

Source: AMS - USDA

Note: USDA did not update this report last week (8/3) We will check with them to see when next update will be available.

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

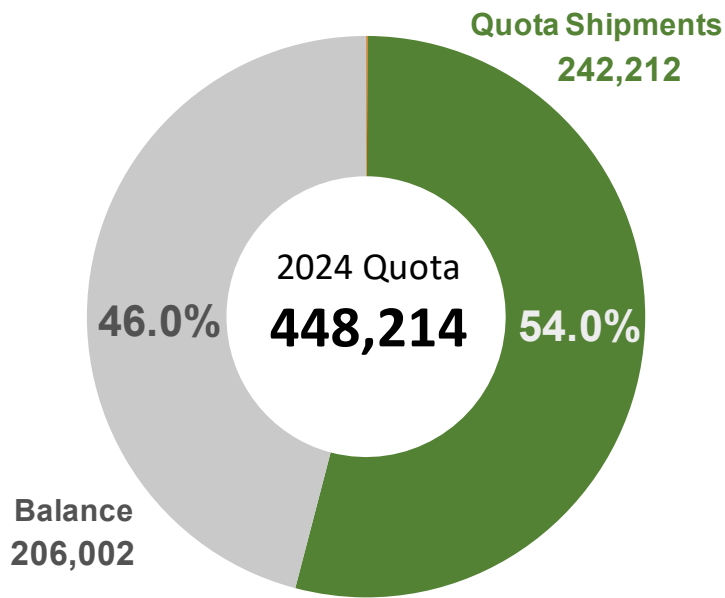
Imports as of July 27, 2024



Australian Beef Quota Position

8-Aug-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 August 5. Metric Ton

Data source: US Customs. Analysis by Steiner Consulting

