



US Imported Beef Market

A Weekly Update

Prepared Exclusively for Meat & Livestock Australia - Sydney

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

Market Highlights for the Week:

- Lean grinding beef supply remains limited, with cow/bull slaughter for the week ending 9/14 estimated at 118k head, up almost 20k head from the week before but still 13% lower than a year ago.
- Dairy cow slaughter has been running well below year ago levels and that's expected to persist in the fall due to much improved dairy producer margins and lack of replacement heifers.
- Australian beef exports to the US in July and August were some of the highest in a decade. The pace of exports has slowed down considerably in September but still expected to be up about 25% from a year ago.
- US fat trim prices continue to drift lower and prices last week were down 13 cents from the week before and now also below year ago levels.
- We think the supply of cattle on feed on September 1 was about the same as a year ago, with placements in August down 6.5% balancing the 4% decline in feedlot marketings.

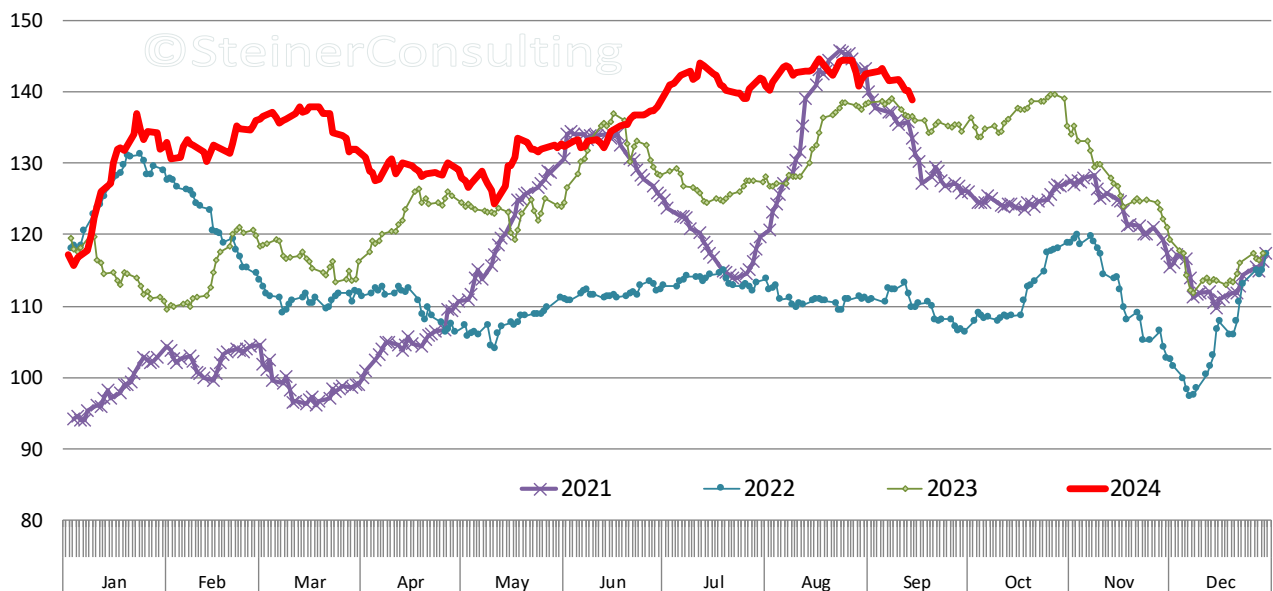
Imported Market Activity for the Week

Imported beef prices were steady for the most part, with lean and extra lean product generally steady to firm while fat grinds were steady to lower. Offerings from Australia and New Zealand were limited, allowing importers to largely hold the line on lean product. Bull meat supply is particularly light as slaughter has been lower than normal and it is expected to be light for the next 30-40 days, limiting shipments through October.

The decline in the value of domestic fat trim has also helped support lean values while at the same time pressuring imported fat product lower. South American product is more available and trading at a discount to Australian/NZ origin. The discount varies but can be as high as 10 cents. Availability of imported fat product, be this 80s, 75s or 65s remains very limited, with Asian markets more active. Still, willingness to pay in the US is very different than what it was a month or two ago. US

\$ CONTRIBUTION TO THE US CHOICE BEEF CUTOUT FROM CHUCK/ROUND PRIMALS

\$/cwt. Daily Values. Source: USDA-AMS. Calculations by Steiner Consulting



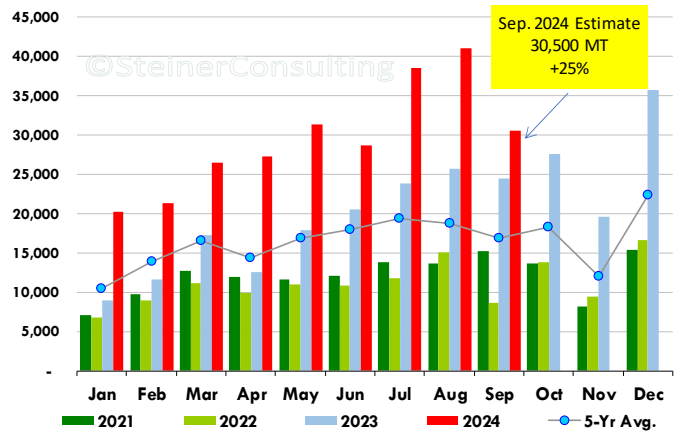
end users are well aware of the seasonality in the value of fat trim (more on this on page 2) and bidding accordingly. Imported cuts are mixed. Round cuts were steady to lower as end users expect domestic product to be lower by late October and November. However, middle meats are offered firm as the domestic prices for high value cuts such as ribeyes and tenderloins tend to move higher into the holidays. It should be noted that the supply of Australian chilled cuts has increased substantially from previous years. In July shipments of Australian chilled beef were 10,500 MT and in August they were 10,800 MT, the highest monthly volumes on record. The decline in September shipments and likely lower shipments in October imply less availability for Q4, something that US traders/buyers need to consider.

Market notes

- The pace of Australian beef shipments to the US has slowed down considerably this month. Cattle slaughter in Australia has slowed down some, limiting the supply of beef available for export. Lower bids in the US combined with robust demand in Asian market has been a factor as well. Consider that total Australian beef exports for the month of September are on track to be 106,500 MT, a 15k MT decline from the previous month. Shipments to the US are on track to be 30,500 MT, a 10k MT decline.
- The value of fat beef trimmings continues to trend lower. Last week the weekly average price was 13 cents lower than the week before and it is currently 11 cents lower than a year ago. Last year the value of fat trim was sharply lower in November and December, dropping to under 60 cents, half of where the market is trading currently. Fed cattle weights are currently running 3% above year ago levels, adding to the supply of fat trim available. Ground beef business this fall will be critical. Usually the slowdown in foodservice sales and reduction of retail features leaves packers with extra loads of fat trim that they need to sell in the spot market. High cost of boxing, freezing as well as higher interest rates remain an impediment that could impact prices in Q4.

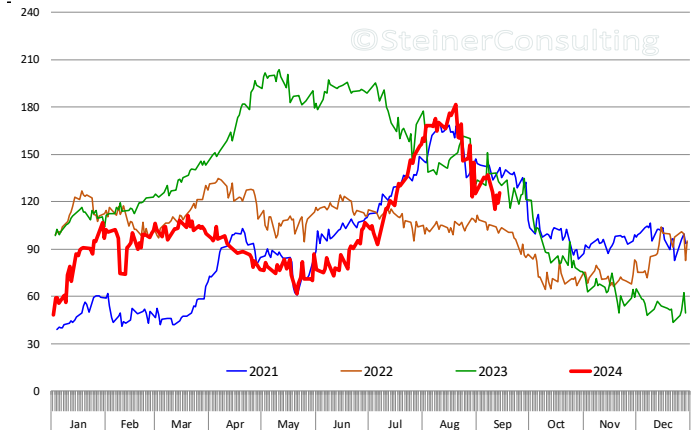
AUSTRALIAN BEEF EXPORTS TO THE UNITED STATES

Metric Ton. Source: DAWE. Analysis by Steiner Consulting



50CL Beef Trim

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



October 2024 Class III Milk Futures



- Dairy cow slaughter continues to run well below year ago levels and that may not change for the remainder of the year. The dairy herd is lower than last year and rapid improvement in dairy margins means producers will reduce the culling rate. October Class III milk futures have gained 20% since early August while feed costs continue to decline. The lack of dairy

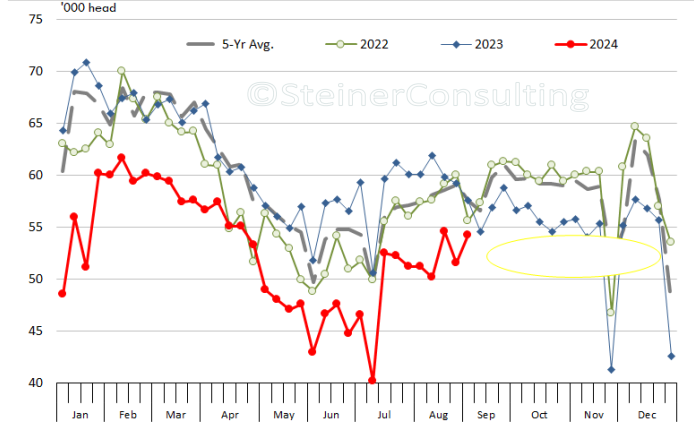
replacement heifers has added to the impetus for limiting the dairy culling rate. Our current projections are for total cow slaughter to be down 13% in Q4, a forecast that seems more likely given current dairy trends.

- Steiner cattle on feed estimates:

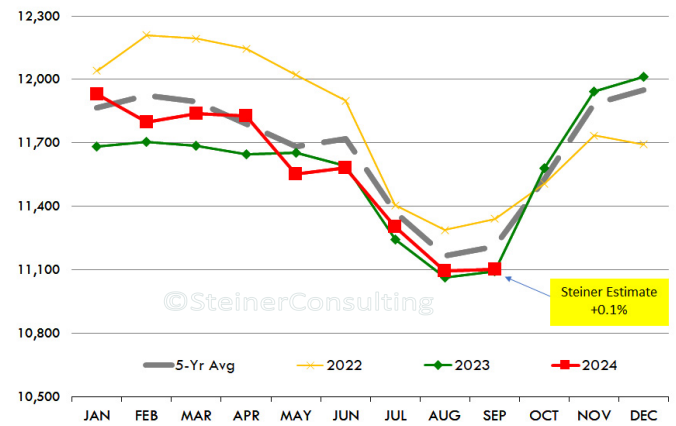
Placed on feed in August: 6.5% lower y/y
 Marketed in August: 4.0% lower y/y
 Total on feed Sep. 1: 0.1% higher y/y

Weekly Dairy Cow Slaughter. 000 Head

Data source: USDA-NASS. Analysis by Steiner Consulting



MONTHLY FED CATTLE INVENTORIES, +1000 HEAD CAPACITY FEEDLOTS

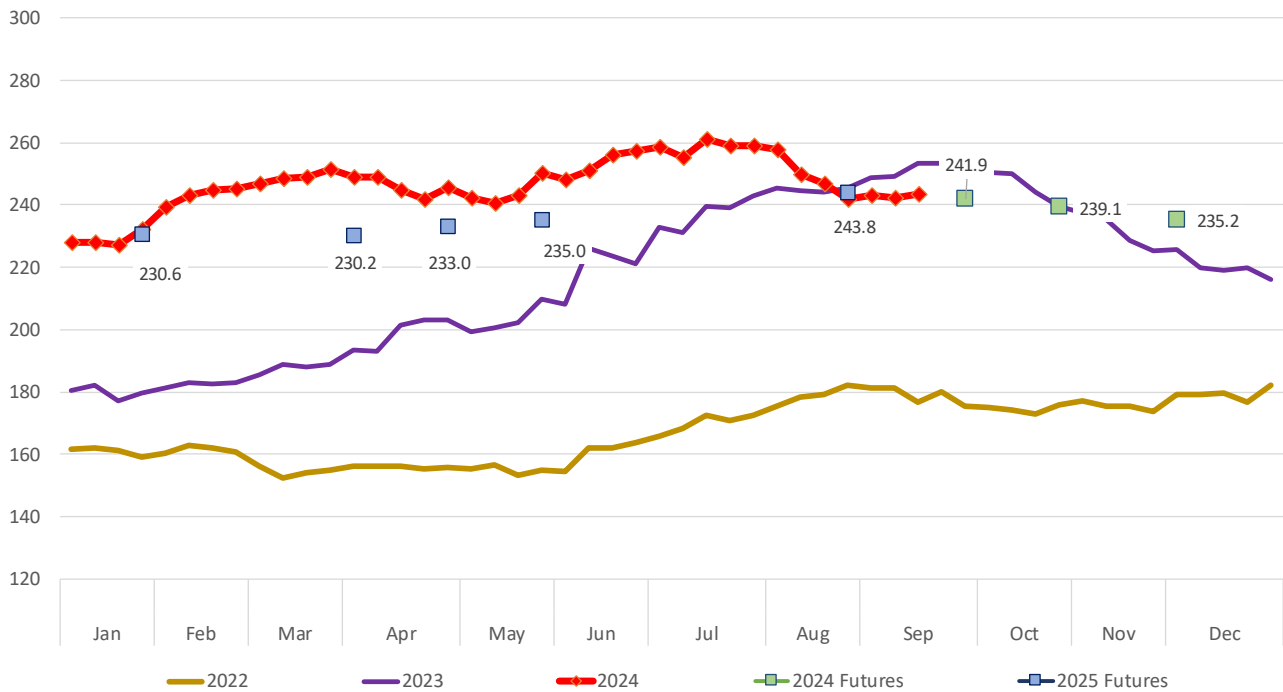


CME Cattle Feeder Index and US Cattle Markets

	Current Week	Prior Week	% CHANGE VS. WK AGO	Last Year	Change from Last Year
	12-Sep-24	5-Sep-24		14-Sep-23	
CME FEEDER CATTLE INDEX	243.32	242.18	0.5%	253.39	-4.0%
	13-Sep-24	6-Sep-24		15-Sep-23	
FED STEER (5-MKT AVG)	181.78	182.65	-0.5%	183.18	-0.8%
CUTTER COW CARCASS, NATIONAL, 90% LEAN, 350-400 LB. (carcass wt.)	238.00	240.00	-0.8%	188.50	26.3%
BONER COW CARCASS, NATIONAL, 85% LEAN, 400-500 LB. (carcass wt.)	251.50	250.50	0.4%	191.00	31.7%
BREAKER COW CARCASS, NATIONAL, 75% LEAN, 500+ (carcass wt.)	245.00	247.00	-0.8%	196.50	24.7%
CUTTER COW CARCASS CUTOUT, 5-DAY MA, USDA	290.86	291.67	-0.3%	245.98	18.2%

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
	13-Sep-24	31-Sep-24	6-Sep-24	20-Sep-24		15-Sep-23	15-Sep-23	
<u>US East Coast Australian/NZ Lean, CIF</u>								
95 CL Bull, E. Coast	310.0	311.0	308.0	310.0	1.0	260.0	263.0	48.0
90 CL Blended Cow	284.0	285.0	282.0	285.0	0.0	240.0	244.0	41.0
90 CL Shank		280.0		280.0	0.0	237.0	238.0	42.0
85 CL Fores		270.0	270.0	271.0	-1.0	221.0	222.0	48.0
85 CL Chucks		UNQ		UNQ	N/A		UNQ	N/A
95 CL Bull, W. Coast	309.0	310.0	308.0	309.0	1.0	260.0	262.0	48.0
Uruguay CFH 90CL, E. Coast		UNQ		UNQ	N/A		UNQ	N/A
<u>US East Coast, Trimmings, CIF</u>								
85 CL Trimmings	268.0	269.0	268.0	269.0	0.0		220.0	49.0
80 CL Trimmings	239.0	240.0	238.0	239.0	1.0	207.0	208.0	32.0
75 CL Trimmings	200.0	201.0	200.0	205.0	-4.0	186.0	187.0	14.0
65 CL Trimmings		UNQ		UNQ	N/A		145.0	N/A
<u>US East Coast Australian Cuts, CIF</u>								
Cap Off Steer Insides	350.0	360.0	350.0	360.0	0.0	330.0	340.0	20.0
Steer Insides 14/18		UNQ		UNQ	N/A		UNQ	N/A
Steer Flats	315.0	320.0	310.0	315.0	5.0	290.0	300.0	20.0
Steer Knuckles	310.0	315.0		310.0	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
	13-Sep-24	6-Sep-24				15-Sep-23		
<u>US East Coast Australian/NZ Lean, FOB US Port</u>								
95 CL Bull, E. Coast	315.0	317.0	315.0	317.0	0.0	273.0	274.0	43.0
90 CL Blended Cow	294.0	295.0	292.0	295.0	0.0	255.0	257.0	38.0
90 CL Shank	285.0	290.0	285.0	290.0	0.0	250.0	255.0	35.0
85 CL Fores		280.0	280.0	281.0	-1.0	231.0	234.0	46.0
85 CL Chucks		UNQ		UNQ	N/A		UNQ	N/A
95 CL Bull, W. Coast	315.0	316.0	315.0	316.0	0.0	271.0	272.0	44.0
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	278.0	277.0	279.0	-1.0	230.0	232.0	46.0
80 CL Trimmings	246.0	247.0	245.0	247.0	0.0	215.0	218.0	29.0
75 CL Trimmings	210.0	215.0	210.0	214.0	1.0	195.0	196.0	19.0
65 CL Trimmings		UNQ		UNQ	N/A	145.0	147.0	N/A
<u>US East Coast Australian Cuts, FOB US Port</u>								
Cap Off Steer Insides	370.0	375.0	375.0	380.0	-5.0	350.0	360.0	15.0
Steer Insides 14/18		UNQ		UNQ	N/A		UNQ	N/A
Steer Flats		335.0	335.0	340.0	-5.0	300.0	310.0	25.0
Steer Knuckles		330.0	330.0	335.0	-5.0	310.0	315.0	15.0

TABLE 4 – US DOMESTIC BEEF AND CATTLE PRICES

	Current Week			Prior Week			Change From Last Week	Last Year	Change from Last Year			
	13-Sep-24	6-Sep-24	15-Sep-23	Low	High	Wt.Avg	Low	High	Wt.Avg	Low	High	Wt.Avg
<u>Domestic Cutouts</u>												
Choice Cutout	304.91	309.41	305.71				-4.5					-0.8
Select Cutout	294.17	296.12	283.12				-1.9					11.1
<u>Domestic Lean Grinding Beef</u>												
90 CL Boneless	361.3 382.5 370.7	371.3 380.0 374.3	308.0 321.0 310.7				-3.6					60.0
85 CL Beef Trimmings	268.9 360.5 332.3	331.0 361.0 347.8	281.0 310.0 293.9				-15.5					38.4
50 CL Beef Trim	95.0 150.0 122.2	118.0 150.0 135.5	120.0 158.0 133.2				-13.3					-11.0
<u>Domestic Pork Trim</u>												
42 CL Pork Trim	49.0 91.0 61.3	67.0 98.0 75.2	63.0 99.0 72.2				-14.0					-10.9
72 CL Pork Trim	75.0 106.8 87.0	81.2 108.8 89.0	94.0 131.1 101.6				-2.0					-14.7
<u>Point of Lean Values</u>												
90 CL Domestic	411.8	415.8	345.2				-4.0					66.7
50 CL Beef Trimming	244.3	270.9	266.4				-26.6					-22.1
42 CL Pork Trim	145.9	179.1	171.9				-33.2					-26.0
72 CL Pork Trim	120.8	123.6	141.1				-2.8					-20.3
<u>National Direct Fed Steer (5-day accum. wt. avg. price)</u>	181.78	182.65	183.18				-0.9					-1.4

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
	13-Sep-24	6-Sep-24			15-Sep-23		
<u>Live Cattle Futures</u>							
October '24	177.650	175.175	↑	2.47	186.925	↓	-9.28
December '24	178.500	174.700	↑	3.80	191.825	↓	-13.33
February '25	179.600	175.400	↑	4.20	196.325	↓	-16.73
April '25	181.300	177.125	↑	4.18	199.750	↓	-18.45
<u>Feeder Cattle Futures</u>							
September '24	241.900	234.300	↑	7.60	257.375	↓	-15.48
October '24	239.125	230.950	↑	8.18	264.475	↓	-25.35
November '24	235.200	228.025	↑	7.18	268.125	↓	-32.93
January '25	230.600	224.600	↑	6.00	268.325	↓	-37.73
<u>Corn Futures</u>							
December '24	413.250	406.250	↑	7.00	476.250	↓	-63.00
March '25	431.000	424.500	↑	6.50	490.500	↓	-59.50
May '25	441.500	435.500	↑	6.00	499.000	↓	-57.50
July '25	447.750	442.250	↑	5.50	503.750	↓	-56.00
<u>Ch Wheat Futures</u>							
September '24	594 3/4	567	↑	27.75	604 1/4	↓	-9.50
December '24	612 1/4	586 1/2	↑	25.75	688 1/4	↓	-76.00
March '25	622 1/4	598	↑	24.25	691 1/2	↓	-69.25
May '25	627	603	↑	24.00	673 1/4	↓	-46.25

Slaughter Information	7 Days Ending	7 Days Ending	Change From Last		7 Days Ending	Change From	
			Week	Week		Last Year	Last Year
	14-Sep-24	7-Sep-24			16-Sep-23		
<u>Total Cattle Slaughter</u>	620,000	542,000	↑	78,000	631,300	↓	-11,300
	31-Aug-24	24-Aug-24			2-Sep-23		
<u>Total Cow Slaughter</u>	107,521	101,897	↑	5,624	121,500	↓	-13,979
<u>Dairy Cow Slaughter</u>	54,175	51,517	↑	2,658	57,600	↓	-3,425
<u>Beef Cow Slaughter</u>	53,346	50,380	↑	2,966	63,900	↓	-10,554

TABLE 7 - US BEEF IMPORTS

(Source: USDA/AMS)

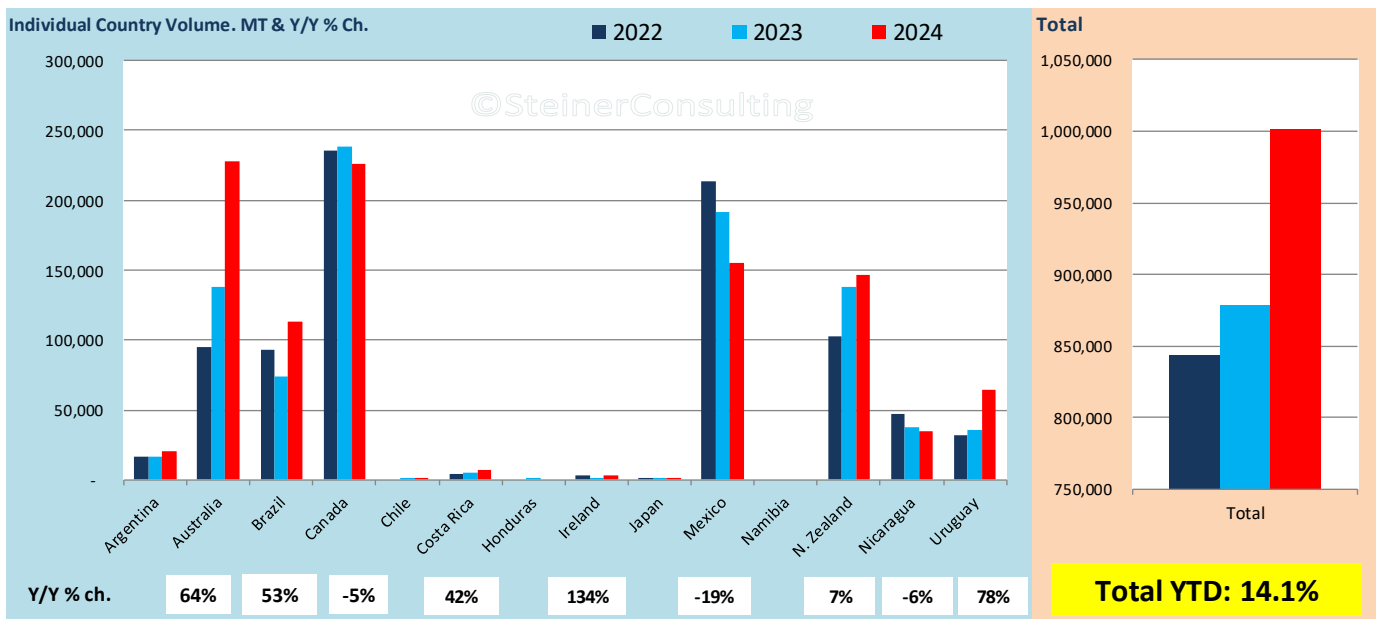
YTD Imported Fresh/Frz Beef Passed for Entry in the US

week 36	9/9/2023	9/7/2024		
Argentina	16,676	20,775	4,099	24.6%
Australia	138,578	227,888	89,310	64.4%
Brazil	73,823	112,887	39,064	52.9%
Canada	238,531	226,073	(12,458)	-5.2%
Chile	20	1	(19)	-95.0%
Costa Rica	4,998	7,122	2,124	42.5%
France	-	-	-	
Honduras	19	-	(19)	-100.0%
Ireland	1,409	3,297	1,888	134.0%
Japan	987	1,044	57	5.8%
Mexico	191,280	155,468	(35,812)	-18.7%
Namibia	-	-	-	
Netherlands	-	-	-	
New Zealand	137,783	147,152	9,369	6.8%
Nicaragua	37,661	35,318	(2,343)	-6.2%
Spain	-	-	-	
Uruguay	36,187	64,334	28,147	77.8%
Total	877,952	1,001,358	123,406	14.1%

Source: AMS - USDA

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

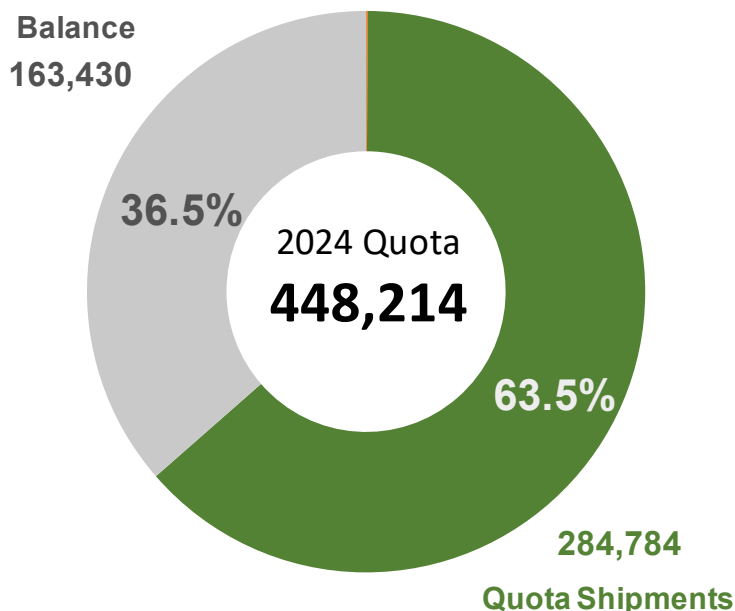
Imports as of September 7, 2024 Analysis by Steiner Consulting



Australian Beef Quota Position

12-Sep-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 September 10. Metric Ton

Data source: US Customs. Analysis by Steiner Consulting

