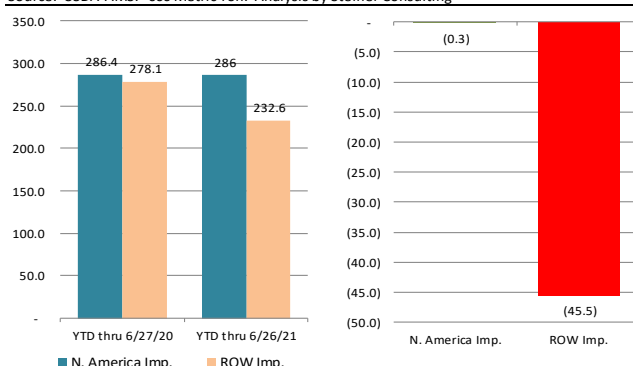


**From all of us at the Daily Livestock Report, we wish you
A Safe and Enjoyable July 4th.**

A recent Reuters report noted that Brazilian beef exports to the US were up sharply in the first five months of the year, with May shipments alone up 186%. **We thought it would be good to put these figures in the broader context of US beef imports.** According to preliminary statistics from USDA-AMS, imports of fresh and frozen beef (excludes cooked) in the first six months of the year were 8.1% lower than the same period a year ago. Imports from North American countries (Mexico, Canada) were about the same as last year. Imports from Mexico were down 14,796 during this period or 10.5%, which offset the 14,537 MT (+9.9%) increase in imports from Canada. On the other hand, **imports from other countries were down 45,806 MT or 16.4% compared to a year ago.** It is true that US beef imports from Brazil are up, but that's because we are comparing to a very low base from a year ago. In the first six months of last year, imports of fresh/frozen beef from Brazil were just 674 MT, almost nothing. This year, imports as recorded by USDA have been 13,511 MT. **This increase in imports from Brazil has been more than offset by reductions in imports from major suppliers, such as Australia and New Zealand.** Through June 26, US imports from Australia were reported at 66,072 MT, down 48,200 MT or 42% compared to the same period a year ago. Imports from New Zealand were 87,995 MT, down 2,571 MT or 3% compared to a year ago. Additionally, we are seeing lower imports from Central American countries. In recent years Nicaragua has become a significant supplier. In the first six months of this year, imports from Nicaragua were 30,048 MT, down 7,811 MT or 21% compared to a year ago. Argentina and Uruguay continue to ship to the US but both countries are constrained by quota limits and thus are not expected to provide a significant boost to imported beef availability. Recently Argentina lifted its suspension of beef exports but with new export restrictions put in place, restrictions that will continue to limit Argentine beef exports to China, its main market. The new rules do not affect exports to the US, which are already limited by a US quota.

Lower imports from Australia are the main reason for the decline in US beef imports. And despite a strong rally in prices for imported beef, we expect Australian exports to remain limited. June Australian export shipments to the US (which will be reflected in July US import figures) were 12,178 MT, down 53% compared to a year ago. This was the lowest June US export figure on record. Australian producers are in full herd rebuilding mode, causing slaughter to run 20-25% below normal. Also, strong demand from Asian markets has limited the supply coming to the US. As a result imported beef prices are now trading at a premium to domestic. In 2019, imported frozen 90CL boneless beef traded at an annual average premium of 12.5 cents vs. domestic. We think this year the premium may be as much as 14.5 cents.

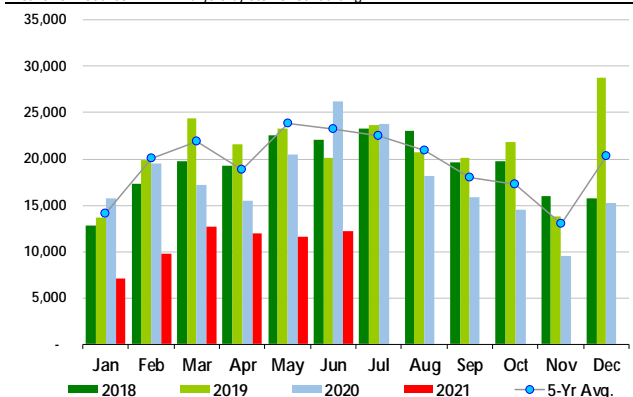
Beef Imports from N. America & ROW Change in Imports: YTD 2021 vs. 2021
Source: USDA-AMS. '000 Metric Ton. Analysis by Steiner Consulting



ROW - Rest of the World

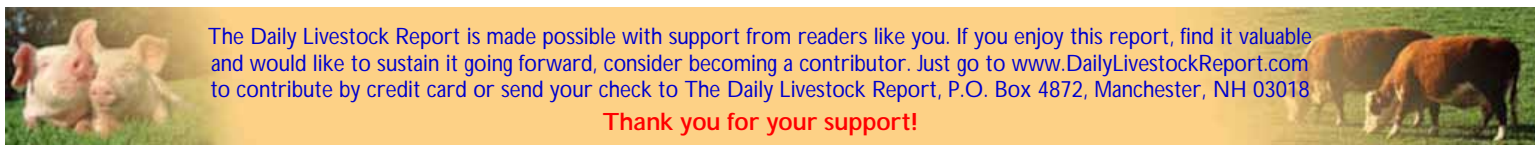
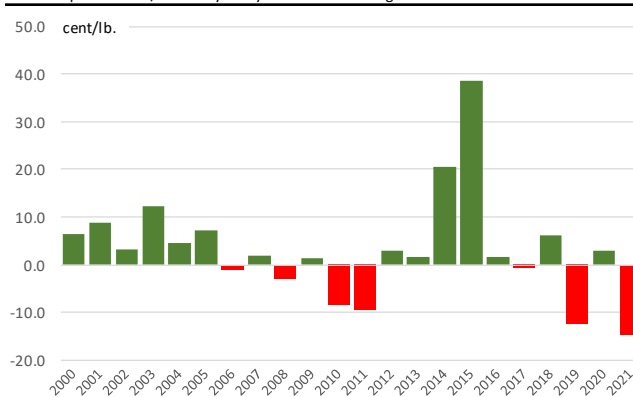
AUSTRALIAN BEEF EXPORTS TO THE UNITED STATES

Metric Ton. Source: DAFF. Analysis by Steiner Consulting



Premium of Domestic Fresh 90CL vs. Imported Frozen 90CL

Annual Spread. cent/lb. Analysis by Steiner Consulting



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