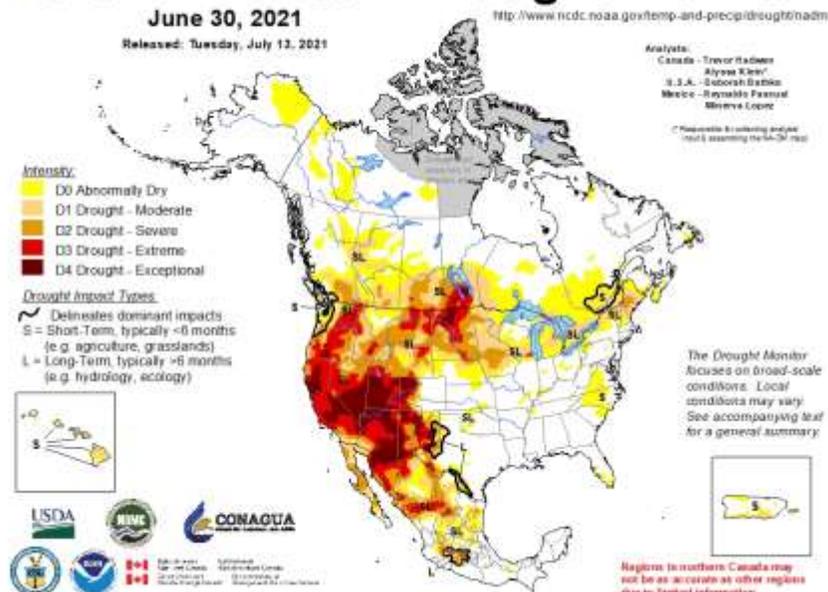


June trade data was released yesterday through the USDA Foreign Agricultural Service (FAS) Global Agricultural Trade System (GATS). GATS data is released on a product weight basis and Economic Research Service will release trade data on a carcass weight basis today. This DLR will focus on the recently released cattle trade data.

June cattle import data was 122,060 head, down 71,110 head (36.8%) from a year ago. Lower imports for June are following a pattern that has been occurring this year with each month tracking below last year. Cattle imports through the first half of 2021 were 902,135 head, down 19.1%. Canada and Mexico are the primary cattle suppliers each accounting for 30% and 70%, respectively, of the cattle shipped through the first half of the year. The decline in shipments through the first six months are due to a slower pace from both countries with Canada's shipments down 25.8% and Mexico's down 15.8%.

A recent Global Agricultural Information Network ([GAIN](#)) report on Mexico's livestock production stated, "The pace of Mexican exports to the United States remains unaffected by a USDA regulatory action that re-classified the bovine disease status of 21 regions in Mexico." The same report also noted that drought in the northern States of Sonora and Chihuahua are creating challenges for producers, but the drought is less severe than 2011-2012 and "there are no signs of deceleration of cattle production

## North American Drought Monitor

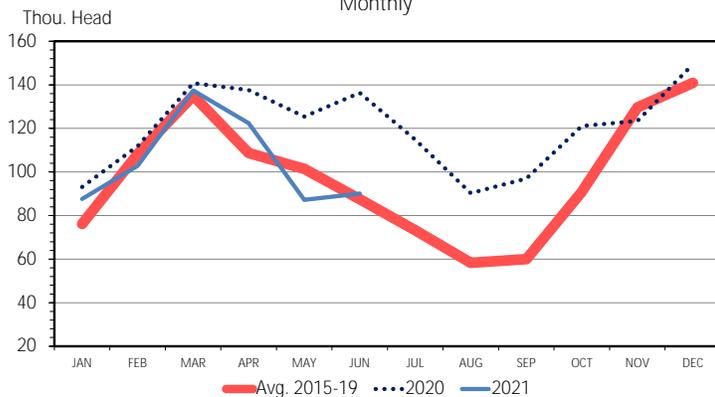


for the remainder of 2021 and into early 2022." The GAIN report has unofficially estimated Mexico's cattle exports at 1.28 million head with 2022 expected to increase 13.3% (170,000 head) to 1.45 million head.

Looking at cattle exports, June was 51,859 head the largest signal month shipped since October 2019. Shipments through the first half of the year have more than doubled to 255,853 head, up 112% or 134,984 head from last year. Canada is the primary destination for U.S. cattle with 215,080 head shipped this year, more than double the same period a year ago. Shipments to Canada typically are feeder cattle for placement into feedlots. Shipments to Mexico have also seen a surge with a more than four-fold increase in year-to-date exports from last year to 29,683 head. According to the same Mexico GAIN report, "From April to June 2021 live cattle imports exploded as Mexican beef processors rushed to capitalize on higher prices. U.S. livestock exporters partly liquidated their herds to manage downside price risks over the next 6 to 12 months by selling into the Mexican packer market." Although cattle exports are a small proportion of total cattle inventory, the opportunity to export slaughter cattle to Mexico is an outlet for some producers.

### US CATTLE IMPORTS FROM MEXICO

Monthly



Data Source: USDA-ERS & USDA-FAS  
Livestock Marketing Information Center



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