

Global Beef Quarterly Q3 2022

Leaning Into the Trimmings Trade

August 2022

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Global Beef Markets Summary



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United States

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- **Drought is fueling herd liquidation and earlier movement to feedyards**
- **Expect firm Q3 prices with steady supplies and adequate demand**

Europe

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- **Some countries are increasing production, but overall EU-27+UK production will be down in 2022**
- **Prices to remain firm in Q3 2022**

China

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- **Beef demand is improving as lockdowns are eased**
- **Beef imports are expected to stay strong in Q3**

Japan

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- **Beef demand shows signs of recovery, but the outlook remains uncertain**

Brazil

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- **Strong exports drive beef markets, making up for softer domestic sales**
- **Live cattle prices see unusual declines in August due to weak internal demand**

Australia/New Zealand

[click here for Australia](#) and [New Zealand](#)

- **Easing producer demand leads to falling Australian cattle prices**
- **Strong export demand supports strong cattle prices in New Zealand**

Global Outlook

Markets remain tight and prices are still strong, but there are some clouds on the horizon

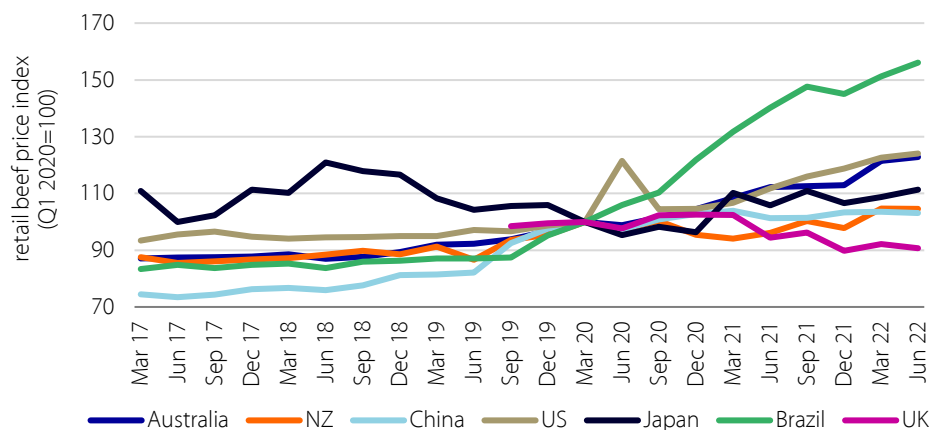


Beef markets continue to hold, but change is coming

The global beef market remains strong. Most beef retail prices (in domestic currencies) continued their upward trend in Q2 or remained steady (see Figure 1). Although Q2 prices did not rise much above Q1, most are sitting between 5% and 11% higher than Q2 2021. The UK is a notable exception, with negative growth both month-on-month and year-on-year for the quarter, as consumers respond to high prices. Retail beef prices in Brazil have seen a significant growth of 51% in the last two years, driven by strong export volumes. While government stimulus and the FIFA World Cup may support consumer interest in beef over the coming months, in the longer term, higher prices will be a test for the Brazilian consumer and will likely shift beef into export trade.

Evidence of declining consumer confidence (see Figure 28) in the face of slowing economies and rising inflation is building. In general, beef markets are resilient to changes in economic conditions. However, we see movement within supply channels and price points that tend to favor cheaper options, such as ground beef and quick-service restaurants (QSR), over more expensive cuts and consumption channels.

Figure 1: Retail beef prices remain firm

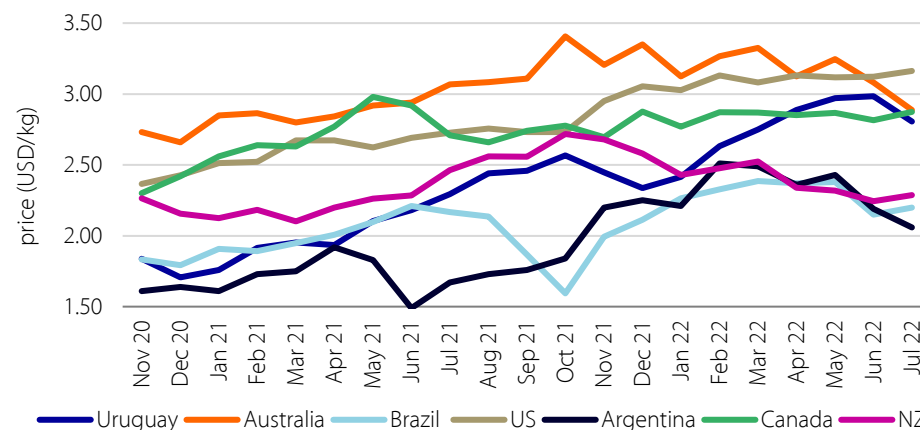


Cattle markets remain tight, supporting prices

Cattle markets remain favorable, supported by either seasonal conditions, in the case of Australia and Brazil, or by strong demand, in the case of the US (see Figure 2). Cattle prices in some countries experienced a decline: Australia, Brazil, Argentina, and New Zealand all saw cattle prices (in USD terms) drop from Q1 to Q2. This is despite the support provided by many of these countries' currencies depreciating against the US dollar over the same time period.

Production volumes across major exporting areas are expected to remain relatively balanced over the next 12 months, with volume increases in Australia and Brazil offsetting an expected decline in the US (see Figure 3). With ongoing drought conditions, cattle liquidation continues in the US, while production volumes remain restricted in Australia due to processing capacity limitations.

Figure 2: Global cattle prices remain strong but show signs of easing¹



¹. Over-the-hook prices for Australian cattle are unavailable; therefore, saleyard cattle prices have been used in this edition.
Source: Macrobond, AgriHQ, MLA, USDA, StatsNZ, Rabobank

Feature Article – Leaning Into Trimmings Trade

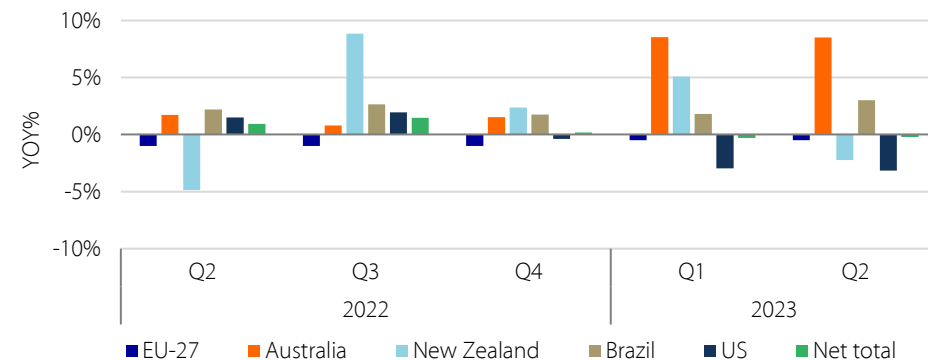
Will prices be trimmed?

Tight global beef supplies and strong consumer demand pushed global beef prices to record highs over the past year. However, the spillover effects from the easing of Covid restrictions – rampant inflation and slowing economic growth – are starting to impact consumers' spending habits. Typically, consumption of trimmings, a lower-priced beef item, remains firm in slower economic conditions, as consumers trade down into this category. Is that what we should expect now?

Supply lifting

Global beef production has been relatively flat. Among the major producing and exporting countries, growth is expected to be more or less in balance through Q2 2023, as expansion in some countries is offset by contraction in others (see Figure 3). Among the large global beef exporters, Brazil, Australia, and New Zealand export large volumes of trimmings. As production in Brazil and Australia is forecast to grow into 2023, we expect the volume of trimmings exports will increase – particularly in the case of Australia, where increased herd inventory will generate additional grass-fed

Figure 3: Beef production lifting in key trimmings production regions



Source: ABS, StatsNZ, MOA, BLS, Macrobond, Rabobank 2022

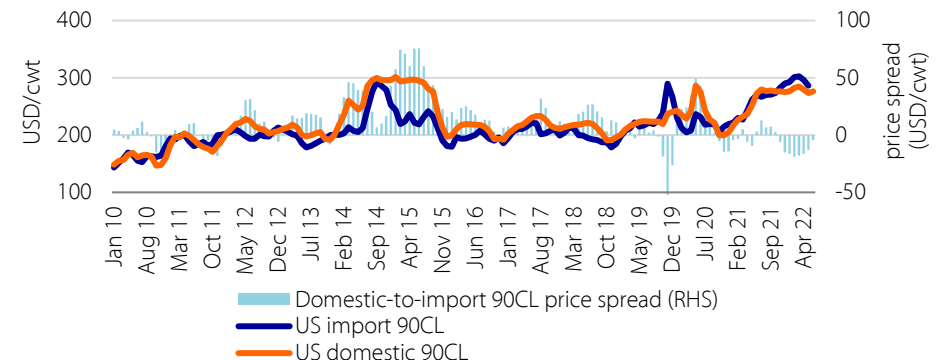
and female slaughter numbers. New Zealand's lean trimmings supply has remained steady despite processing constraints caused by labor shortages.

US domestic trimmings production has been increasing, driven by the cow herd liquidation resulting from drought and margin pressure. With a higher volume of domestically produced trimmings available and imported trimmings restricted, the imported trimmings price has remained elevated above the domestic trimmings price (see Figure 4). Cold storage facilities in the US are also currently holding record volumes of beef, which we believe have been stockpiled by trim buyers in anticipation of the cow cull slowing.

Current demand for trimmings is firm

After being supported through 1H 2022, trimmings demand is expected to lift further in 2H 2022. Major importers of trimmings include the US, China, Japan, and South Korea. With these countries facing slower economic conditions in 2H 2022, we expect consumer purchasing decisions to favor the consumption of trimmings. The US and South Korea face high inflation pressures, while China and Japan continue to struggle with slower economic growth off the back of Covid.

Figure 4: Imported 90CL price remains higher than domestic 90CL price



Feature Article – Leaning Into Trimmings Trade

Trimmings demand to lift as consumers trade down

We expect consumption volumes of trimmings to remain strong and potentially to increase in 2H 2022, as consumers are expected to trade down to lower-value beef cuts and cheaper proteins (see Figure 5). This should support US demand for trimmings from both domestic and imported sources, given its large consumption of ground beef.

In the US, the slowing of cow liquidation is the key factor influencing any upside potential for lean trimmings prices over the next six months (see Figure 6). However, current forecasts indicate that the likelihood of La Niña for 2H 2022 has increased slightly, suggesting no change in seasonal conditions, and we expect the cow liquidation to continue until the weather improves. Current high volumes of domestic production are reducing the need for imported products, but if domestic production contracts, higher import volumes would be needed.

Australia and New Zealand would be best positioned to take advantage of any increase in US lean trimmings imports in 2H 2022. Brazil increased its exports to the US in Q1 2022, filling the available US quota. The out-of-quota tariff rates make it less

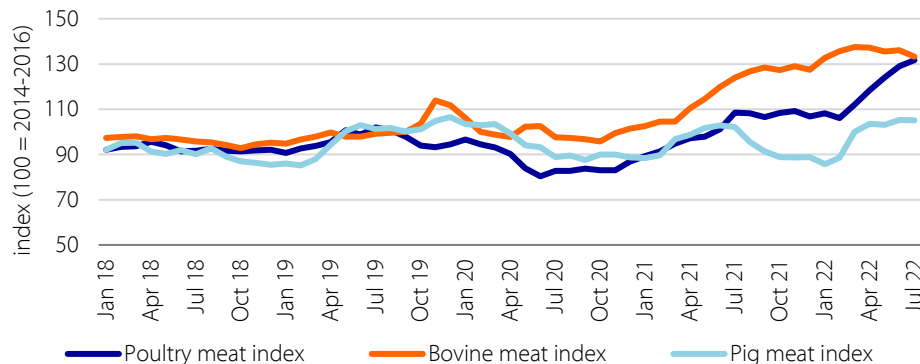
attractive for Brazil to continue exporting beef to the US for the remainder of 2022.

Demand from China through 2H 2022 is anticipated to remain firm, despite ongoing Covid restrictions and weak economic growth weighing on consumer confidence. Rabobank forecasts GDP growth in China to slow to 2.8% in 2022. Brazil is the largest supplier of beef into China, and so should see ongoing demand for trimmings and other cuts.

In Japan, demand for beef in the foodservice sector has been growing following the pandemic. However, the high price of imported beef and softening consumer confidence is limiting the foodservice sector's recovery and at-home consumption. Therefore, demand for trimmings imports is likely to remain stable.

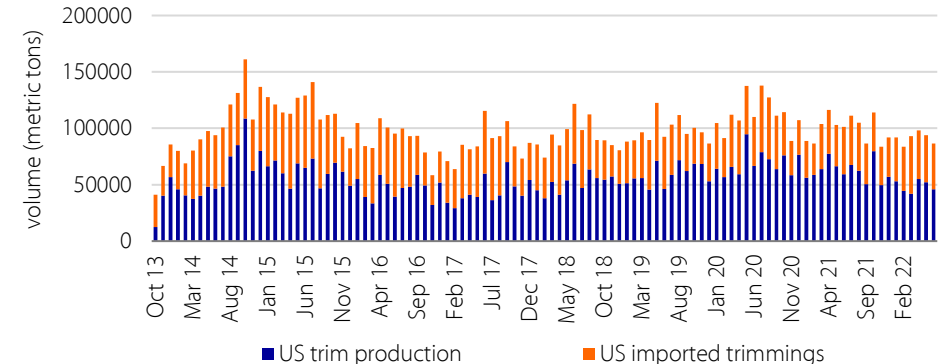
With economic conditions slowing, we expect consumers to favor lower-priced beef cuts in 2H 2022, which is positive for trimmings demand. If the US cow kill slows, there is pricing upside potential for lean trimmings. New Zealand and Australia are best positioned to take advantage of increasing exports to the US, with Brazil already having filled the 2022 quota.

Figure 5: Beef index prices easing, but poultry and pork increasing



Source: FAO, USDA, Rabobank 2022

Figure 6: A slowing of the US cow kill would increase import demand



Australia

Cattle prices declining



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Australian cattle prices take a slide

Cattle prices continued to decline through July before rising again in late July. Prices are now below year-ago levels for the first time in two-and-a-half years (see Figure 7). The Eastern Young Cattle Indicator for weaner-age cattle has dropped 23% since the beginning of the year. However, there is no need to panic as prices remain historically high and within the bounds of our forecasts from the beginning of the year.

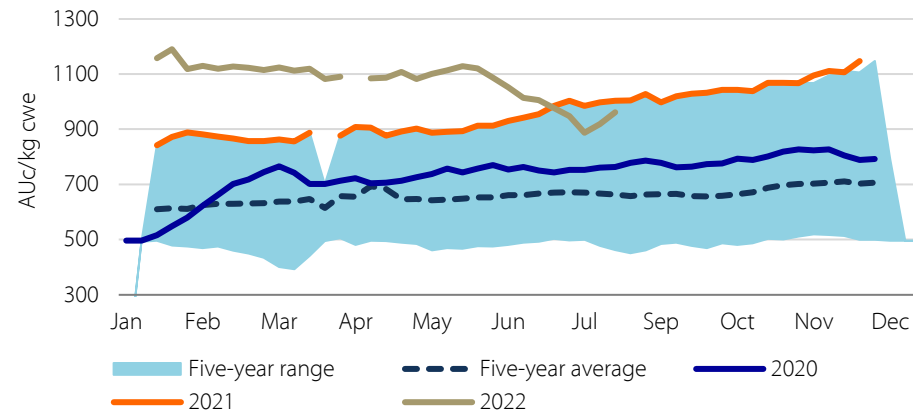
Younger cattle and breeding stock are experiencing larger declines (between 15% and 25% since the start of the year) as producer demand for restocking subsides. Meanwhile, limited numbers and likely prioritization of finished cattle through restricted processing facilities has meant a smaller decline (down 4% to 15%) for heavy and trade cattle. We expect prices to continue to contract through Q3, but the warmer spring months and pasture growth should see some stability return to the market, with some possible upside in Q4.

Processing constraints a challenge, building pressure in the system

Although slaughter numbers are slowly creeping up, volumes remain historically low, and we expect overall production for the year to be similar to 2021, at 1.9m mt. East coast weekly slaughter for the four weeks up to July 23 was 10% higher than the four weeks in March but 1% below the same period last year and 25% below the five-year average. We believe cattle numbers are building in the system, and unless processing capacity can increase, the buildup of cattle has the potential to drive prices down further.

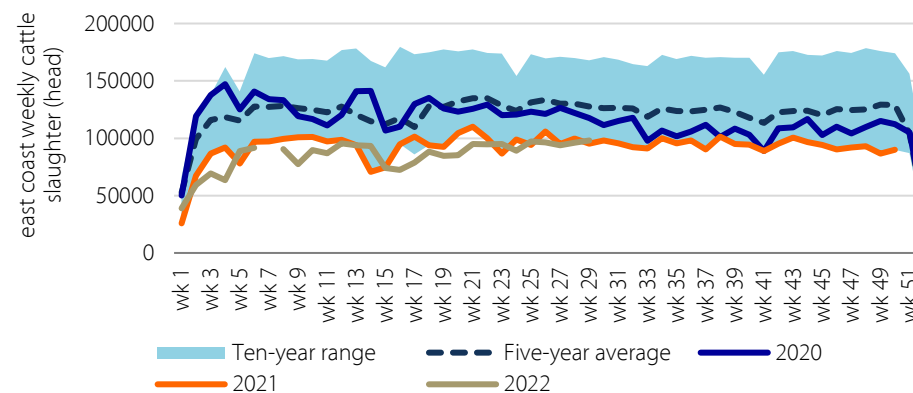
Foot-and-mouth disease (FMD) in Indonesia has placed Australia on a heightened state of alert. It has also seen a reduction in live export volumes to Indonesia, as importers are cautious about buying cattle while FMD continues to affect the cattle population. Australian live exports to Indonesia for the first six months of 2022 were down 30% on 2021 levels and at the lowest levels in over five years.

Figure 7: Cattle prices (EYCI) dip below year-ago levels



Source: MLA, Rabobank 2022

Figure 8: Cattle slaughter remains constrained by processing capacity



Source: MLA, Rabobank 2022

Brazil

Lower supply of grass-fed cattle and tight margins from the first feedlot campaign favor live cattle prices



Exports break records in the first seven months

Beef shipments continued at an intense pace in the first seven months of 2022 (see Figure 9). China increased imported volumes by 33%, raising its share to 52% of Brazil's total exports. In July alone, China imported 111,000mt, the second-largest volume in history and just 1,200mt less than in September 2021, the month before the suspension of Brazilian shipments. The US and Egypt remain the second- and third-largest destinations. Volumes to the US have declined, as the quota of 65,000mt for non-specified countries (Brazil does not have a country-specific quota) has already been exceeded, and the applied tariffs negatively impact competitiveness.

Demand for Brazilian beef exports in 2H should remain supported, with the approach of China's Golden Week in October and Chinese New Year in early 2023. We project exports to reach record highs in 2022, with an increase of around 12%.

Drier weather already limits the supply of grass-fed cattle

With the arrival of the dry season in most producing regions, the supply of grass-fed cattle has declined, and the share of feedlot cattle has increased. However, record feed prices at feedlot placement time earlier in 2022 decreased the attractiveness of the first feedlot campaign.

Live cattle prices rose again in May following the seasonal recovery in demand. But with feed prices falling since April, there is increased attractiveness for the second feedlot campaign, which can put negative pressure on live cattle prices. Even so, we believe that demand levels will remain above supply during Q3.

Three events should boost domestic beef consumption in the coming months: commencement of the government's five-month financial aid program of BRL 600 (about USD 120) for about 20 million people in August, the presidential elections, and the FIFA World Cup. Together, these events should support both beef and live cattle prices. It is also worth noting that strong demand in export markets has driven up beef prices in the local market.

Figure 9: Strong external demand drives export prices to record highs

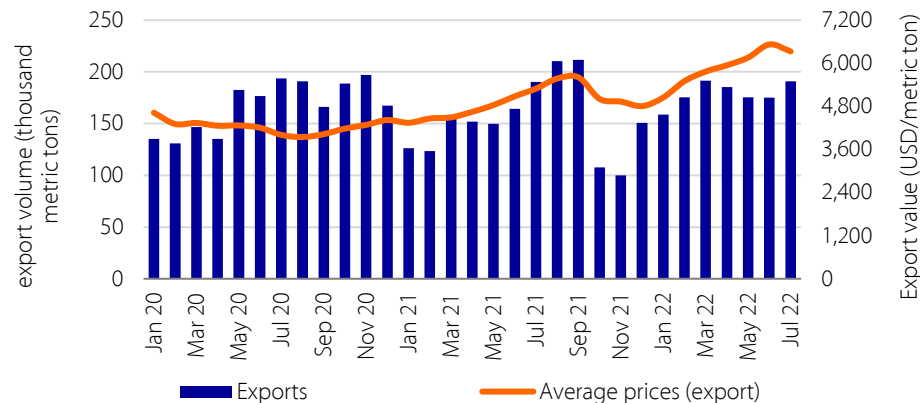
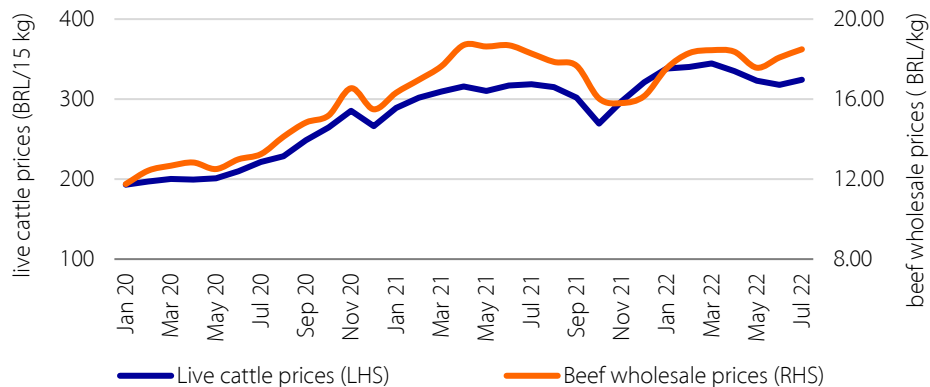


Figure 10: Off-season pasture production and strong exports push up prices



Source: Cepea, Secex, Rabobank 2022



Canada

Demand for slaughter cattle remains strong, while feedyard inventories tighten seasonally



Feedyard placements slowed abruptly as summer began

Cattle were entering Canadian feedyards at an aggressive pace at the start of Q2. April and May placements were up 12% compared to last year, but June was 21% below 2021 – ending the quarter with a year-over-year increase of just 1.7% (see Figure 11).

The dip in early summer placements was reflected in the July 1 on-feed supply, which fell below 1m head for the first time since October 2021. Feedyards are still carrying 5% more inventory than last year, and the supply of cattle on feed 150 days or more is up 11%. That will support Canadian cattle supplies for slaughter and export into fall.

Demand for feeder cattle and calves in the US rebounds in 2022

Canadian feeder cattle and calf sellers continue to see better demand from US buyers, even as US fed cattle supplies remain ample and drought forces cattle from US grazing operations into feedyards earlier than normal. Feeder cattle and calf exports to the US in 1H 2022 totaled 137,000 head – up 65% compared to last year and 26% better than the five-year average. Slaughter cattle exports have a similar story.

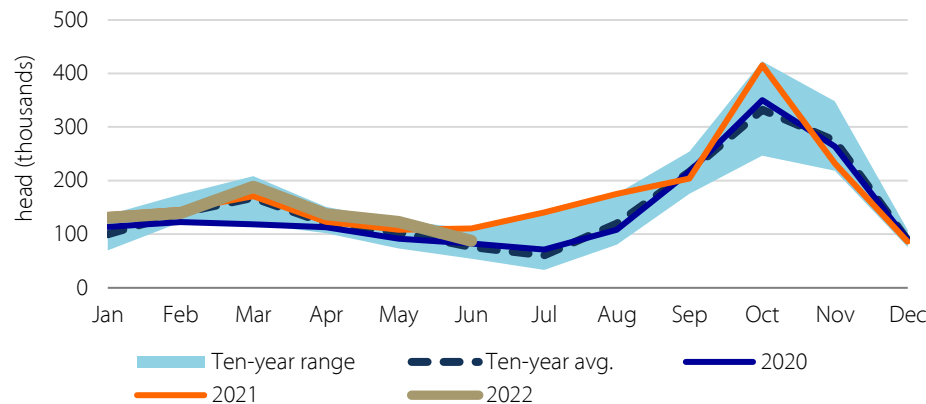
Market-ready supplies from US feedyards in the northern plains have been limited through the spring and early summer, and processors have been more willing to look to Canada for high-quality grain-fed cattle. Year-to-date slaughter cattle exports to the US are up 19%, but Q2 volumes are up 40% compared to 2021.

Market values showing contra-seasonal strength

Even with ample on-feed inventory, Alberta fed cattle prices have trended higher since January's lows. Q2 values increased contra-seasonally – averaging CAD 173/cwt., which is 9% higher than last year (see Figure 12). Feeder cattle and calves were up 7% and 2%, respectively, in the same period.

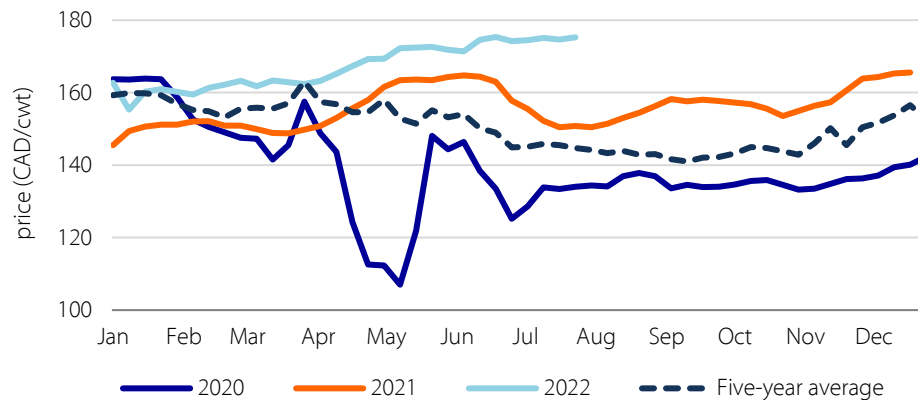
Recent strength can be tied to stronger export movement and more limited cattle supplies generally. Q2 slaughter levels were 4% softer than last year, and the upcoming July 1 cattle inventory report is expected to show less cattle availability.

Figure 11: From May to June, placements saw the largest drop in five years



Source: CanFax, Rabobank 2022

Figure 12: Alberta fed cattle prices continue to trend higher



Source: CanFax, Rabobank 2022

China

Beef retail demand remains strong, while foodservice is still under pressure



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Beef demand rebounds as lockdowns ease

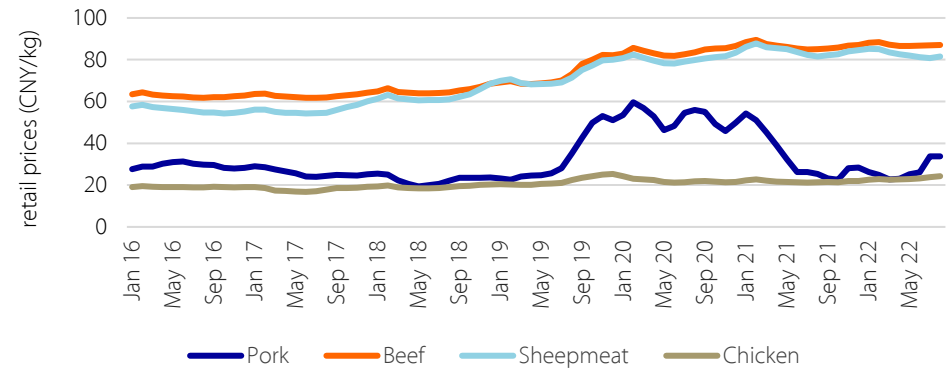
With the lifting of lockdowns in major cities, there have been some improvements in beef consumption, with foodservice sales continuing to strengthen in the last two months. However, foodservice is not yet back to normal levels, as Covid restrictions continue to impact dining out and food catering. While total consumption might still be low, we believe beef consumption continues to expand, from foodservice to retail. This is likely a structural change, driven first by rising retail demand for beef as a minor substitute for pork in 2019/20, then by the emerging but rapidly growing market of prepared foods. Ready-to-cook and ready-to-heat beef dishes, including some previously consumed in restaurants, are now available for home consumption. We expect beef retail demand to stay strong, while foodservice will remain under pressure for the rest of the year.

Beef retail prices are strong, up 2.5% YOY in July. Sheepmeat retail prices have softened, but pork and poultry prices have increased to different extents (see Figure 13). Total animal protein supply is showing some constraints in China entering 2H 2022, supporting beef prices at high levels despite the slowing economy.

Beef imports rebound strongly in Q2 and should stay firm in Q3

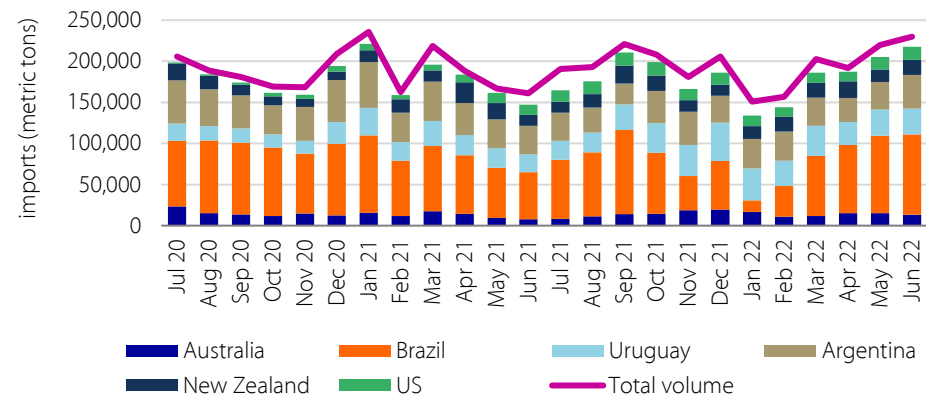
Beef imports rebounded strongly in Q2, despite increases in importing prices in past months – prices were up 36% YOY in June (see Figure 14). Total import volumes in 1H reached 1.15m mt, up 2% YOY. Brazil remains the largest origin of China's imports, shipping 399,000mt in 1H. But this is 7% lower than the same period last year, as it follows a decline in Q1 resulting from China's ban on imports from Brazil. Other traditional sources of imports, including Australia, Uruguay, and New Zealand, also increased flows to China in 1H. Argentina, the second-largest origin of China's imports, saw a 16% drop in its shipments due to export policy changes in Argentina. The US continues to increase flows to China, with imports up 48% YOY in 1H. The latest monthly import level is expected to be maintained in Q3.

Figure 13: Beef retail prices stay resilient despite slowing economy



Source: MARA, China Customs, Rabobank, 2022

Figure 14: Beef imports rebounded in Q2 2022



Source: MARA, China Customs, Rabobank, 2022

Europe

Prices remain firm despite a temporary lift in production

Beef production expands in the EU-27+UK

Beef production in the EU-27+UK increased by 0.8% YOY in the first five months of 2022. Declines in France (-4% YOY) and Germany (-7% YOY) were offset by increases in the UK (+4% YOY), Italy (+7%), Spain (+8%), and Ireland (+9%). For 2022, we expect that the structural decline, particularly in France and Germany, will outweigh growth elsewhere, and production in the EU-27+UK will be slightly down by about 1% YOY.

Beef imports continue to exceed 2021 levels

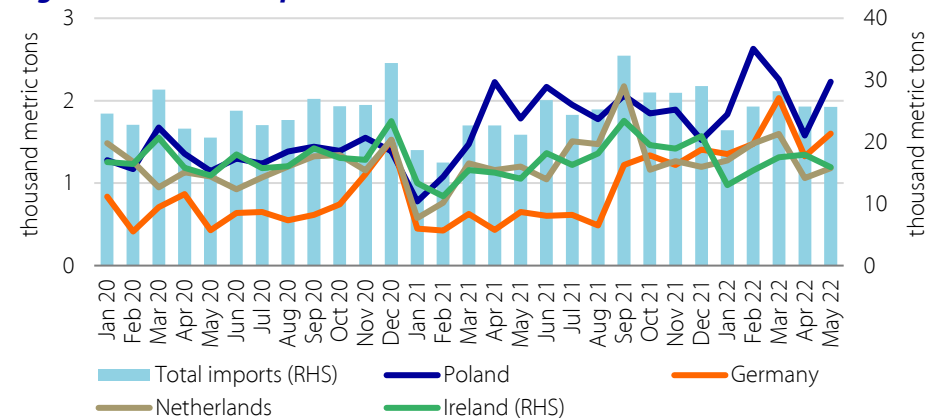
In the first five months of 2022, EU-27+UK beef exports were down 15% YOY. Volumes to Ghana, Cote d'Ivoire, Bosnia and Herzegovina, and the Philippines remained lower than the same period last year, but exports to Canada, Switzerland, and Japan increased. EU-27+UK imports were up by 15% YOY in the same period. Despite the anticipated shift in consumption from foodservice channels to retail as consumers trade down in a slowing economy, imports are expected to remain higher than last year, as imports were relatively weak in 2021.

Beef trade between the EU-27 and UK has largely recovered from Brexit and Covid disruptions. Beef exports from the EU-27 to the UK increased by 21% YOY in the first five months of 2022 (see Figure 15). Ireland increased volumes by 55%, from 70,000mt to 129,000mt, supported by supply expansion. EU-27 beef imports from the UK were also up, rising 86%, from 25,000mt to 85,000mt.

Prices have softened slightly but are expected to remain firm

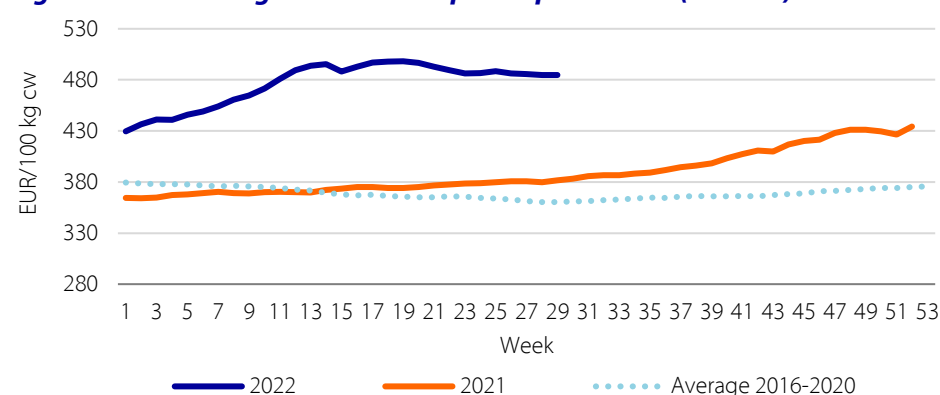
The EU average beef carcass price softened in late July, but it was still up 27% YOY in week 29 (see Figure 16). In recent months, the increase in beef prices was higher relative to increases in pork and chicken prices, leading to some softening in beef demand. At the same time, production has expanded. These might be potential reasons for recent downward movements in prices. In Q3 2022, an expected decline in feed prices, production expansion in some member states, and softening demand may pressure prices downward, although we expect prices in Europe to remain firm and trend above last year's levels.

Figure 15: UK beef imports recovered after Brexit



Source: Eurostat, Trade Data Monitor, Rabobank 2022

Figure 16: EU average beef carcass price up 27% YOY (ACZ-R3)



Source: Eurostat, Trade Data Monitor, Rabobank 2022

Japan

Signs of recovery in beef demand, but the outlook remains uncertain



Rabobank

Japan's imports show growth

Beef imports showed signs of recovery late in 1H despite an overall 2.7% YOY decrease in the first six months of 2022 (see Figure 17). Beef imports declined sharply (down 12.1% YOY) in Q1 but increased 5.0% YOY in Q2. Even more impressive, beef imports in Q2 were 1.1% higher than Q2 2019, marking the first time import volumes exceeded the pre-pandemic level since Q2 2020.

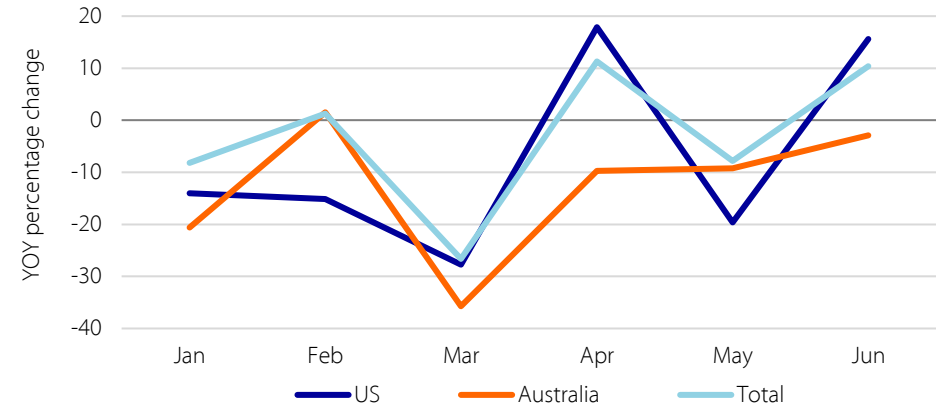
In Q2 2022, frozen beef imports increased 18.1% YOY, while chilled products decreased 11.3%. The shift from chilled to frozen was caused by shipping delays from the US, which caused a shortage of chilled products and price increases in the Japanese market. We have also seen trading companies build up stocks of frozen product (an increase of 29.8% YOY) to secure supplies before the US west coast port labor talks commence.

Still far from a full-fledged recovery

Foodservice sales have been recovering since major Covid-19-related restrictions – which included restrictions on service hours – were lifted in March. Fast-food and BBQ restaurants, the main users of imported meat, showed strong sales (see Figure 18). Fast-food sales, including hamburgers and beef bowls, keep growing year-on-year.

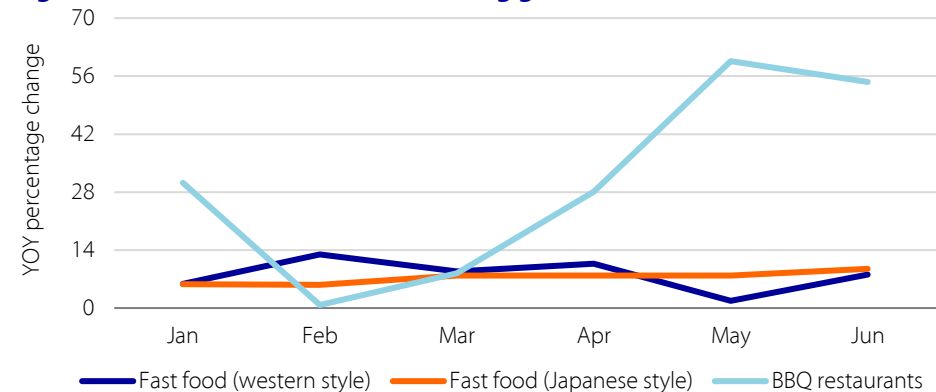
However, the beef import market is far from fully recovered. It is unlikely that household consumption will increase in the coming months. More consumers will become budget-minded due to the rising prices of various goods and services and the depreciation of the Japanese yen, making imports more expensive. To ensure a stable recovery of demand for imported beef, growth in the foodservice industry is essential. However, a decline in consumption may delay its growth. The government eased its Covid-19 border control measures in June and is now starting to accept foreign tourists. This may drive the recovery of foodservice channels.

Figure 17: Beef imports showed signs of recovery in Q2



Source: Ministry of Finance, Nochuri, Rabobank 2022

Figure 18: BBQ restaurants show strong growth



Source: Ministry of Finance, Nochuri Rabobank 2022

Mexico

Stronger exports and fewer imports offsetting larger cattle supplies and production



Production reflects the larger cattle supply in early 2022

The January 1 cattle supply was 380,000 head larger than 2021 – making it the largest beginning inventory in a decade and continuing an uptrend that started in 2016. Total cattle slaughter is estimated to increase 2% this year, and production is forecast to grow 3% (see Figure 19). Beef production for the first six months of 2022 is up 2.1% compared to last year, averaging 41,000mt per week, but this is running below forecast. Seasonally, beef production increases throughout the calendar year, and that expectation remains. However, production will need to average 45,000mt per week in 2H 2022 to achieve the annual forecast.

Cattle export potential remains limited due to US drought

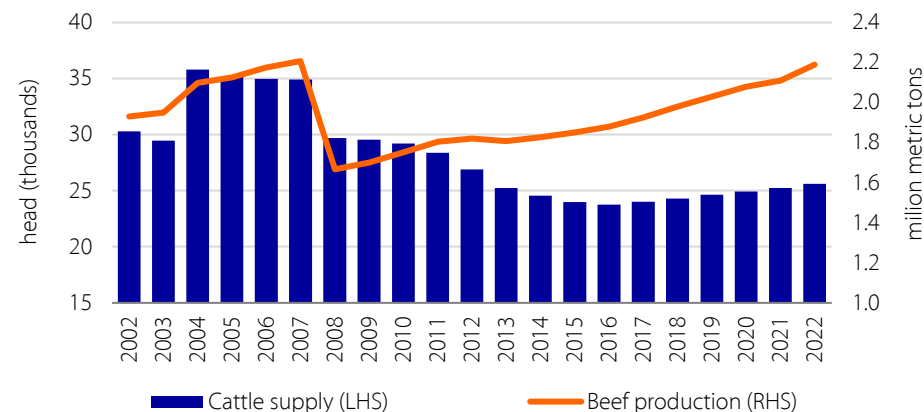
Feeder cattle and calf exports to the US were down 43% in 1H compared to last year (see Figure 20). The US drought is forcing the early movement of calves and feeder cattle into feedyards in the south. July 1 on-feed inventories in Texas were up 3%. That is the largest inventory to start July since 2007, and bunk space is limited for Mexican cattle exports. The slower movement of cattle north will put a larger burden on Mexican beef exports and domestic consumption for the rest of the year.

Beef trade carries extra significance in the short term

Domestic consumption could still end 2022 relatively steady, even as movement remains sluggish with carcass prices 10% higher in 1H. Some year-on-year rises will come from a pandemic-weakened comparison in 2021. Additional gains could arise out of necessity given larger cattle supplies, fewer feeder cattle, lower calf exports, and additional beef production.

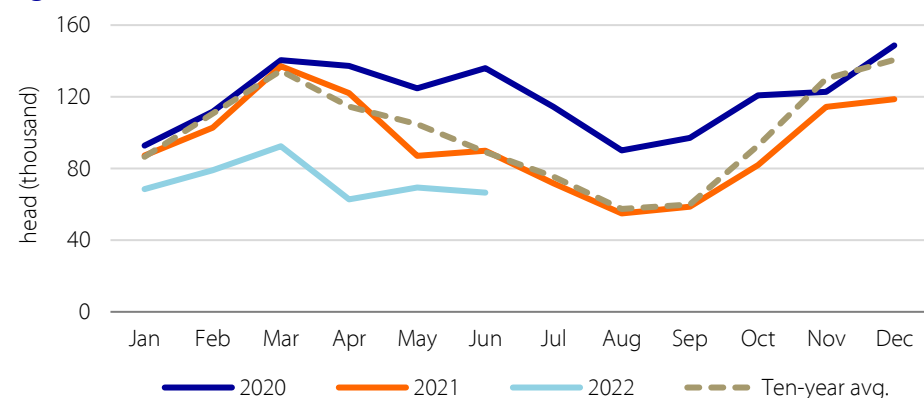
That said, exporters have moved additional production to the global market. Total beef exports were up 27% through May, while US beef shipments were up 19% through June. In fact, Mexico ended 1H 2022 as the second-largest exporter to the US. Imports were also down 8% through May, with the largest volume declines coming from the US and Nicaragua.

Figure 19: Cattle supplies and beef production continue to trend higher



Source: USDA, Rabobank 2022

Figure 20: US demand for feeder cattle and calves remains softer



Source: USDA, Rabobank 2022

New Zealand

China's import demand supports a favorable outlook as spring approaches



Rabobank

Exporters continue to succeed

New Zealand beef exporters and producers continue to enjoy strong returns amid numerous challenges. In 1H 2022, the industry faced significant labor shortages; the Meat Industry Association estimates a daily shortage of 2,000 workers due to absenteeism, Covid, and immigration restrictions. Shipping products from the bottom of the world also remains a logistical marathon.

However, despite these challenges, total export volumes for the first six months of 2022 were only 7% behind 2021 volumes (down about 20,000mt). And export earnings for the first half of 2022 were 31% higher YOY, reflecting the strong prices.

US cow liquidation is impacting New Zealand exports

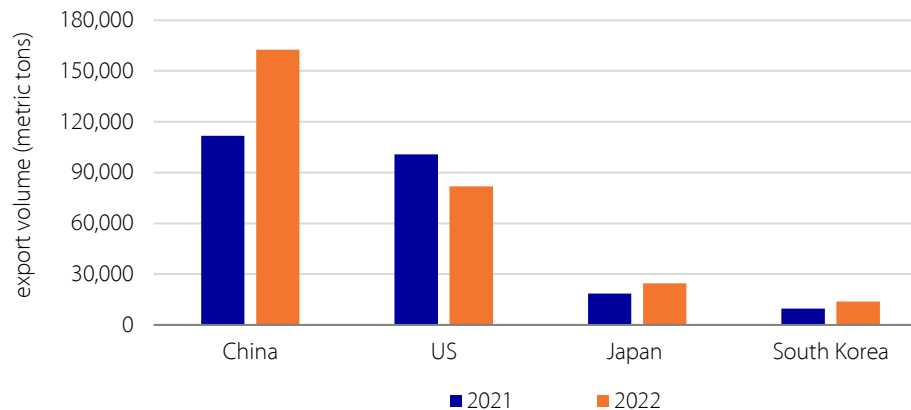
The ongoing liquidation of the US cow herd is resulting in reduced demand for New Zealand lean trimmings in the US. New Zealand beef exports to the US for Q2 were 23% lower than 2021 volumes (see Figure 21).

China remains New Zealand's main export market, with 43% of exports in Q2 heading to China. Total export volumes to China increased 6% in Q2 compared to 2021 volumes, despite widespread lockdowns in China impacting the foodservice sector. China has also grown in value for New Zealand, with Q2 export earnings tracking 48% higher than the same period in 2021.

New production season kicks off October 1

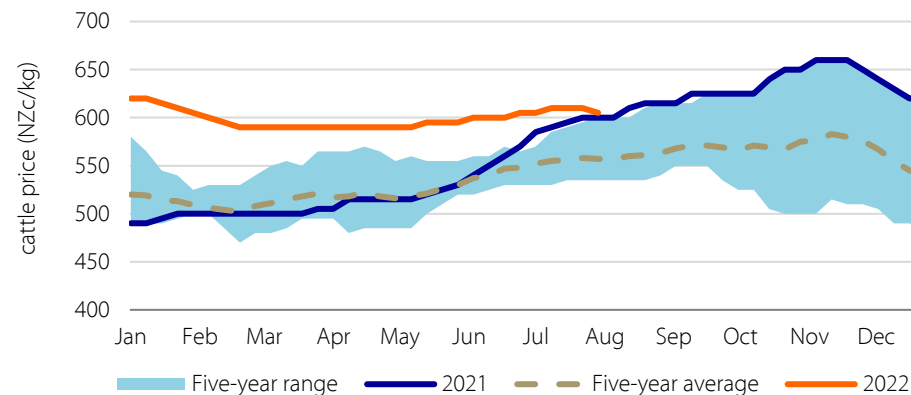
New Zealand farmers have endured a very wet winter and will be hoping for a flush of spring grass to finish and sell R2 cattle quickly. The AgriHQ North Island farmgate bull price has continued to track at record-high prices through the winter months (see Figure 22). Processors are currently managing a backlog of cull dairy cows, plus the calf kill. We anticipate that processing pressure could start to ease in Q4, increasing demand for cattle and positively impacting pricing. Rabobank anticipates the farmgate schedule will remain elevated through spring, around 2021 pricing levels, off the back of strong demand from China and a favorable exchange rate (Rabobank forecasts the New Zealand dollar will trade around USD 0.61 on a three-month view).

Figure 21: Exports to China lifted and offset reduced US demand in 1H 2022



Source: StatisticsNZ, Rabobank 2022

Figure 22: North Island farmgate price still setting records



Source: AgriHQ, Rabobank 2022

United States

Ample production and adequate demand so far, but a downshift is coming in 2H



Drought has increased movement into feedyards

Poor pasture conditions and less forage availability sent calves and feeder cattle into feedyards at a faster pace in 1H 2022. That kept July 1 on-feed inventories near year-ago levels, at 13.4m head, but reduced supplies outside of feedyards by 1m head. As a result, we expect a more noticeable shortfall of market-ready cattle by winter.

Beef production through Q2 ranged from steady to larger than last year, and that will continue into year-end. A 1.5% increase in 2022 cattle slaughter will more than offset a 2lb decline in carcass weights – resulting in a 1.2% beef production increase for 2022.

Cow herd is trending toward previous cycle lows

The US beef cow herd has liquidated at a record-high pace since the start of 2022. Beef cow slaughter was up 12.7% for the first six months of the year, and the 4m-head forecast for annual slaughter is nearly 500,000 head above last year.

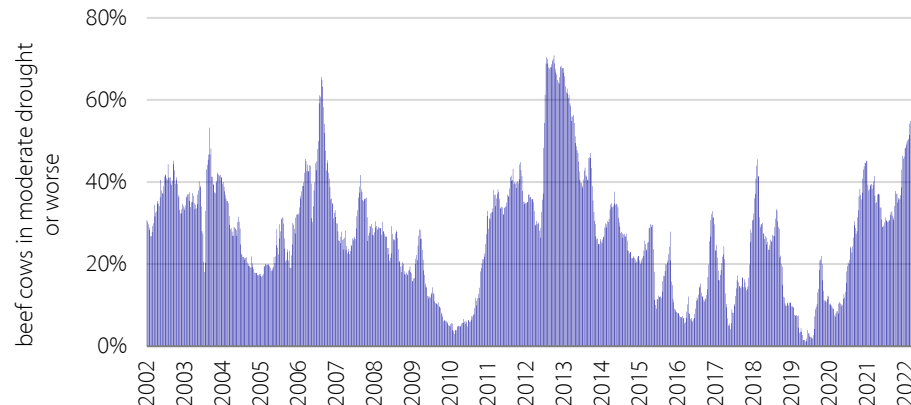
In late July, 54% of the US beef cow herd was battling at least moderate drought levels (see Figure 23). Over the last 20 years, only 2006 and 2012 saw more of the July herd in drought-affected areas. With a La Niña weather pattern forecast into the winter, the downtrend in cow numbers, feeder cattle supplies, and ultimately beef production could mirror the 2014 cycle lows by 2024 or 2025.

Demand remains good, not great

Fewer pandemic-related disruptions have led to less volatility in supply, demand, and ultimately price. Recent price trends have shown more resilience during what is typically a seasonal downtrend in the late summer months. The boxed beef cutout has traded in a +/- 2% range around a USD 262/cwt average since May 1, which is the tightest trading range over that period in 20 years (see Figure 24).

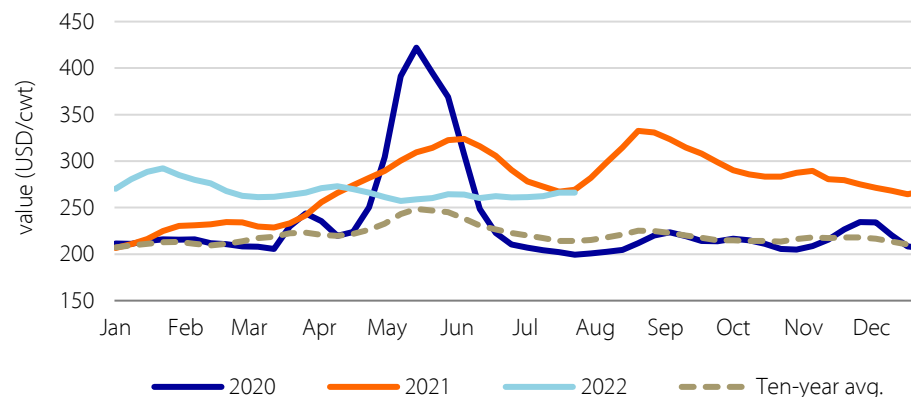
Competition from export markets remains robust. Beef exports averaged 13.3% of production in the second quarter – a new high. Also, the total value of beef and veal exports has averaged more than USD 950m per month. Last year, the highest beef and veal export value for a single month reached USD 938m.

Figure 23: High numbers of beef cows impacted by drought conditions



Source: USDA, Rabobank 2022

Figure 24: Boxed beef cutout remains in a tight range



Source: USDA, Rabobank 2022

Global Outlook: Macroeconomic Dashboard



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Figure 25: FX forecast over the next 12 months

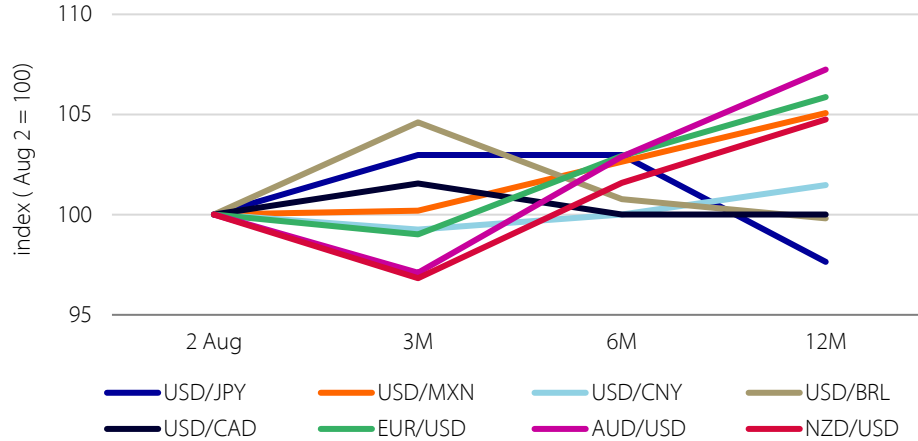


Figure 26: GDP growth in most countries expected to slow

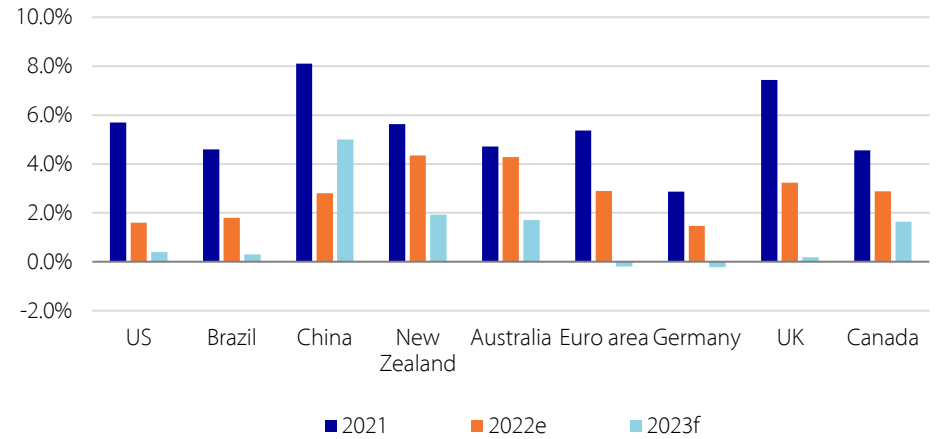


Figure 27: Chilled container costs continue to rise

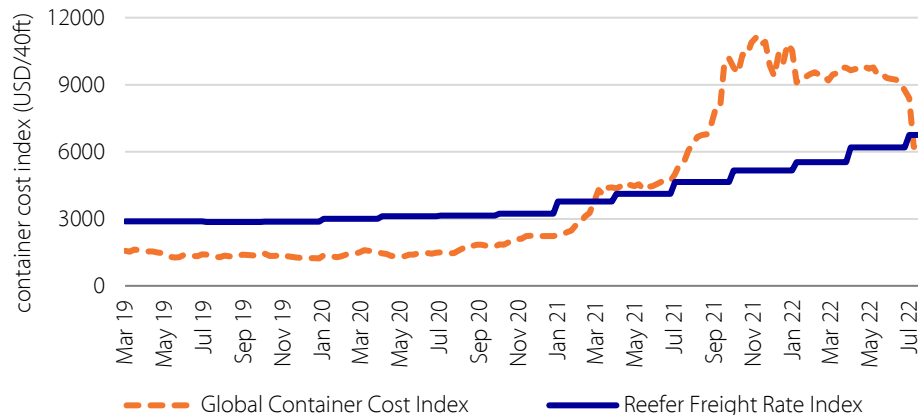
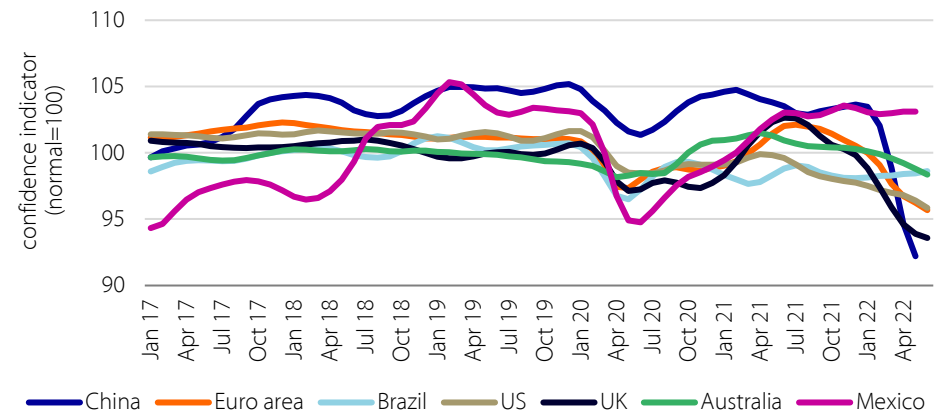


Figure 28: Consumer confidence softens



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Global Beef Quarterly

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