



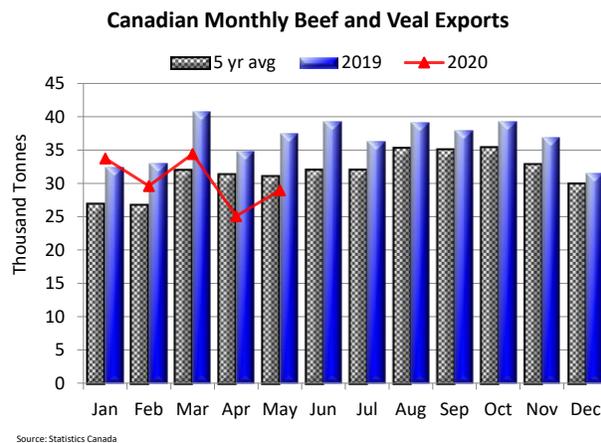
Canadian Beef Exports impacted by COVID in May 2020

Canadian beef exports in May 2020 were 28,974 tonnes valued at \$310 million, down 22.5% in volume and 33% in value from May 2019. Throughout April and early May there were shortages of beef due to the shut down and slowing of packing plants in western Canada due to COVID-19. Federally inspected slaughter numbers for April and May were down 20% and 35% from last year. Volumes were back up to 66,581 head per week by the end of June, up 8% from the same week in 2019. Beef exports had dropped 27% from 34,419 tonnes in March to 25,086 tonnes in April but rebounded 15.5% in May.

Year to date, January through May 2020, beef exports at 151,830 tonnes valued at \$1.2 billion are down 14.8% in volume and 8.3% in value.

International Demand

Consumers, domestically and internationally, felt the hit from reduced production numbers as US Choice Cutout values more than doubled from US\$225/cwt the week of April 11th to US\$459/cwt the week of May 16th, before dropping back to US\$210/cwt by the week of June 27th to be 4% below the same week last year.



North America

With major trade deals now in place, U.S. beef exports from January to May 2020 to Japan and China were up 23% and 12% from 2019. Retail beef prices in May were up 19% from last year to new record highs. Foodservice is slowly and cautiously returning after being primarily closed in May. OpenTable reported that in June seated diners were still down 80%. Mexican restaurants saw low sales in the second quarter as operating capacity limits and sanitary protocols faced high restrictions.

Asia

Japanese retail sales were up 17.3% in May compared to last year. Restaurants resumed business in late May, but seating is reduced with social distancing policies. In China, there was public concern about imported meat that it could carry the COVID virus; but the impact has yet to be determined. The price of beef in Hong Kong continues to increase which has caused importers to slow their orders. Food service turnover is still 8.7% below last year in Taiwan despite the 29% increase from April to May. In South Korea, retail volumes were strong in May with the holiday season and national emergency relief funding. Many countries increased E-commerce platforms and mobile ordering which showed a demand for ready-to-cook meals containing beef.

Individual Country Exports (January to May 2020)

- Exports to the **U.S.** at 111,519 tonnes valued at \$903 million were down 12.1% in volume but only down 3.2% in value as the unit price increased 10.2% from an average \$7.36/kg in Jan-May 2019 to \$8.11/kg in Jan-May 2020. The U.S. represents 73.5% of total beef export volumes YTD.
- Exports to **Japan** at 17,371 tonnes valued at \$128 million were down 6.4% in volume and down 3.1% in value as the unit price increased 3.5% from an average \$7.13/kg in Jan-May 2019 to \$7.38/kg in Jan-May 2020. Japan represents 11.4% of total beef export volumes YTD.
- Exports to **mainland China and Hong Kong** at 8,965 tonnes valued at \$82.3 million were down 43.5% in volume and down 43.3% in value as the unit price decreased 0.3% from an average \$9.15/kg in Jan-May 2019 to \$9.18/kg in Jan-May 2020. Mainland China and Hong Kong represent 5.9% of total beef exports YTD.
- Exports to **Mexico** at 4,402 tonnes valued at \$38.9 million were down 22.5% in volume and 21% in value with the unit price increased 2.1% from an average \$8.67/kg in Jan-May 2019 to \$8.85/kg in Jan-May 2020. Mexico represents 2.9% of total beef export volumes YTD.
- Exports to **Southeast Asia (including Taiwan)** at 2,296 tonnes valued at \$15.7 million were down 8.7% in volume and up 5% in value as the unit price increased 15% from an average \$5.95/kg in Jan-May 2019 to \$6.85/kg in Jan-May 2020. Southeast Asia represents 1.5% of total beef exports YTD.
- Exports to **South Korea** at 2,092 tonnes valued at \$14.8 million were down 21% in volume and down 27% in value as the unit price decreased 7.3% from an average \$7.63/kg in Jan-May 2019 to \$7.07/kg in Jan-May 2020. South Korea represents 1.4% of total beef exports YTD.