

# CANADIAN BEEF EXPORTS



## REPORT FOR JUNE 2020 YTD TRADE

### Canadian Beef Export Trends



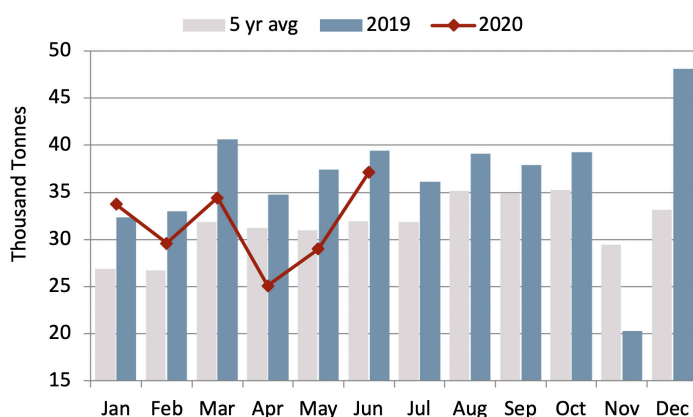
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Canadian beef exports June 2020 were 37,147 tonnes valued at \$319 million, down 5.7% in volume and up 15% in value from June 2019. International demand has been volatile due to the changing demands of food services as countries are in different stages of COVID-19 economic recovery. Federally inspected slaughter numbers for June were only down 1.4% from June 2019 as

processing plants got back to full capacity. July slaughter has trended slightly above July 2019 (+2.6%) with fed cattle up 6% and non-fed cattle down 18%, as plants prioritize fed cattle in an effort to catch up. The monthly low for beef exports in April rebounded 15% in May and another 28% in June mirroring the improvements in beef production.

Year to date, January through June 2020 beef exports at 188,977 tonnes valued at \$1.5 billion were down 13% in volume and 4.2% in value from the same period in 2019.

**Canadian Monthly Beef and Veal Exports**



Source: Statistics Canada

### North America

U.S. total beef exports in June were down 33% from last year as packing plants recovered from COVID related disruptions. Canadian beef exports into the U.S. were up 6% from last year, as the U.S. is still dealing with production shortages. Canada took advantage of higher U.S. beef prices as value of total exports to the U.S. increased 3.4%.

Mexico was the third largest supplier into the U.S. in 2019. Mexico

increased their exports to the U.S. by 24% in the first half of 2020; making them the second largest supplier after Canada, surpassing Australian volumes. As the U.S. economy recovers and demand from the fast food burger industry increases as well as the need for lean mix with the large numbers of heavy weight fed cattle, Canada has room to expand its exports to the U.S. if not pushed over by Mexico.

Mexico continues to have strong production during COVID-19; but has seen softer demand for beef as tourism and food service restrictions remain influential. This resulted in smaller imports from international suppliers, as Canada saw exports to Mexico drop 24%.

### Asia

With the shift in meat availability due to continuing struggles with African Swine Fever, China has increased demand for beef; but these primarily came from Brazil as Canada saw exports to China drop 46% in June. China currently has restricted market access from 31 (at peak, 38) different plants across the world, including High River, Alberta's Cargill plant. China delisted these plants with concerns about COVID-19 being reported at them. There is uncertainty when these plants will be approved to ship to China again.

South Korea was able to successfully control COVID-19 without enforced stay at home restrictions. This allowed restaurant and food service industries to stay open. South Korea has also been affected by the African Swine Fever causing shortages in their domestic pork supply, this has kept beef demand to strong in the country. In June, beef exports from Canada to South Korea were up 34% from June 2019 and up 26% from the four year average. Historical trends show beef imports are seasonally lower in June through September, but African Swine Fever has supported demand.

Another country struggling with African Swine Fever is Vietnam. Even though Vietnam is traditionally a small market for Canada, in March their imports from Canada increased and in June were at least 2.5 times more than any volume historically exported to Vietnam.

When Canadian beef processing plants were unable to keep up with processing demand due to COVID-19 cases, countries such as Japan chose to meet their import needs from other countries such as Australia. The unit price for beef exported to Japan is 5.6% higher than June 2019 however beef exports only increased by 100 tonnes from May to June 2020.

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Canadian Domestic Exports of Beef and Veal Products								June 2020				
	Year \$	Canadian \$ (000)		Rank	Year MT	Volume (MT)		Rank	Year \$/kg	Price (\$/kg)		Rank
	Change	2019	2020		Change	2019	2020		Change	2019	2020	
United States	3.3%	1,134,065	1,171,596	1	-8.8%	155,513	141,871	1	13.2%	\$7.29	\$8.26	10
Japan	-5.3%	161,832	153,269	2	-10.3%	22,622	20,290	2	5.6%	\$7.15	\$7.55	11
Hong Kong	-32.6%	75,433	50,845	3	-17.3%	7,321	6,056	3	-18.5%	\$10.30	\$8.40	8
Mexico	-22.9%	59,652	45,998	4	-24.2%	7,249	5,494	4	1.7%	\$8.23	\$8.37	9
China	-57.9%	96,324	40,520	5	-64.8%	11,259	3,961	5	19.6%	\$8.56	\$10.23	5
Korea, South	-22.1%	22,319	17,377	6	-15.7%	2,943	2,482	6	-7.7%	\$7.58	\$7.00	12
Vietnam	283.9%	2,404	9,228	7	371.8%	339	1,601	7	-18.6%	\$7.08	\$5.77	14
United Kingdom	6.1%	7,361	7,811	8	3.3%	606	626	10	2.7%	\$12.14	\$12.47	4
Taiwan	-27.9%	10,076	7,264	9	-28.0%	1,181	850	9	0.2%	\$8.53	\$8.55	7
Saudi Arabia	81.2%	3,147	5,702	10	96.6%	230	452	11	-7.8%	\$13.68	\$12.61	3
Netherlands	61.5%	1,944	3,140	11	45.3%	89	129	13	11.2%	\$21.97	\$24.42	1
Philippines	-52.4%	4,492	2,138	12	-75.8%	1,316	319	12	96.6%	\$3.41	\$6.71	13
Italy	6472.2%	32	2,106	13	8346.0%	1	126	14	-22.2%	\$21.50	\$16.73	2
Angola	-5.8%	1,457	1,372	14	-14.3%	1,484	1,272	8	10.0%	\$0.98	\$1.08	15
United Arab Emirates	-63.8%	3,383	1,223	15	-61.3%	314	121	15	-6.5%	\$10.78	\$10.08	6
Other	-35.2%	13,194	8,546		-36.5%	5,434	3,449		2.1%	\$2.43	\$2.48	
Grand Total	-4.2%	1,593,731	1,526,912		-13.1%	217,588	188,977		10.3%	\$7.32	\$8.08	

Source: Statistics Canada and AAFC

## Key Markets for Canadian Beef Exports (January to June 2020)

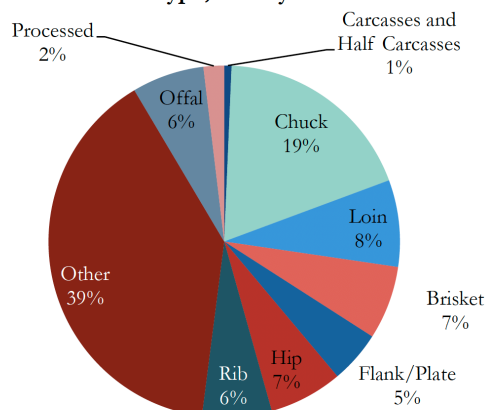
- Exports to the U.S. at 141,871 tonnes valued at \$1.17 billion were down 8.8% in volume but up 3.3% in value as the unit price increased 13% from an average \$7.29/kg in Jan-June 2019 to \$8.26/kg in Jan-June 2020. The U.S. represents 75% of total beef export volumes YTD.
- Exports to Japan at 20,289 tonnes valued at \$1.53 million were down 10% in volume and down 5.3% in value as the unit price increased 5.6% from an average \$7.15/kg in Jan-June 2019 to \$7.55/kg in Jan-June 2020. Japan represents 10.7% of total beef export volumes YTD.
- Exports to mainland China and Hong Kong at 10,000 tonnes valued at \$91 million were down 46% in volume and down 47% in value as the unit price decreased 1.3% from an average \$9.24/kg in Jan-June 2019 to \$9.12/kg in Jan-June 2020. Mainland China and Hong Kong represent 5.3% of total beef exports YTD.
- Exports to Mexico at 5,493 tonnes valued at \$45 million were down 24% in volume and 23% in value with the unit price increased 1.7% from an average \$8.23/kg in Jan-June 2019 to \$8.37/kg in Jan-June 2020. Mexico represents 2.9% of total beef export volumes YTD.
- Exports to Southeast Asia (including Taiwan) at 2,769 tonnes valued at \$18.6 million were down 4.8% in volume and up 8.4% in value as the unit price increased 13.8% from an average \$5.91/kg in Jan-June 2019 to \$6.73/kg in Jan-June 2020. Southeast Asia represents 1.5% of total beef exports YTD.
- Exports to South Korea at 2,482 tonnes valued at \$17.4 million were down 15.7% in volume and down 22% in value as the unit price decreased 7.7% from an average \$7.58/kg in Jan-June 2019 to \$7.00/kg in Jan-June 2020. South Korea represents 1.3% of total beef exports YTD.



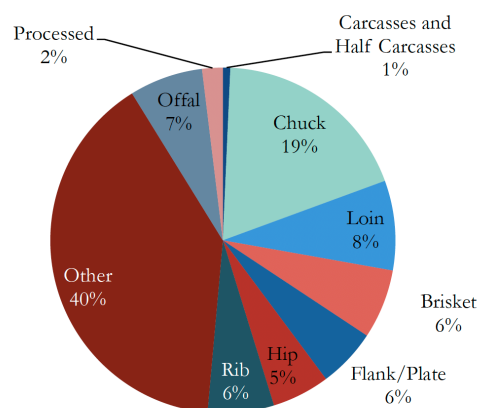
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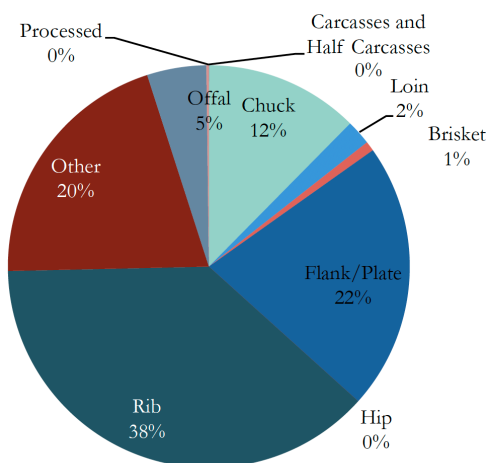
**Canadian Beef Exports to the U.S. by Product Type, 2020 ytd**



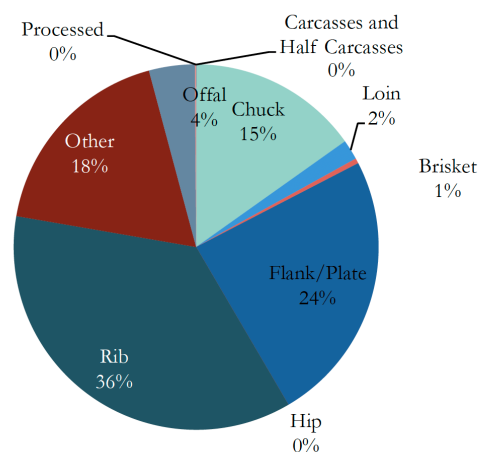
**Canadian Beef Exports to the U.S. by Product Type, 2019**



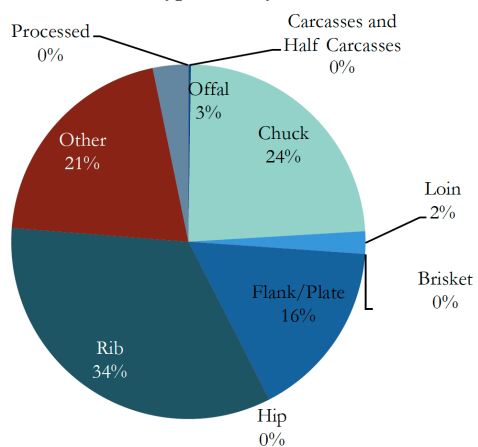
**Canadian Beef Exports to Hong Kong by Product Type, 2020 ytd**



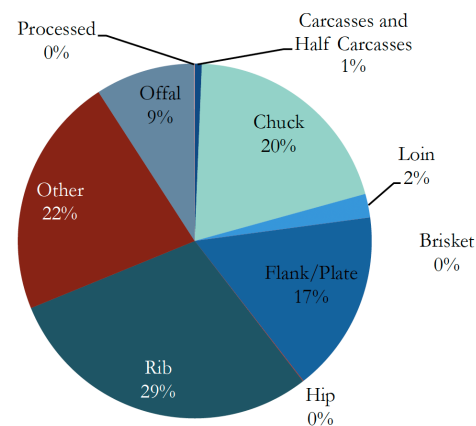
**Canadian Beef Exports to Hong Kong by Product Type, 2019**



**Canadian Beef Exports to China & Hong Kong by Product Type, 2020 ytd**



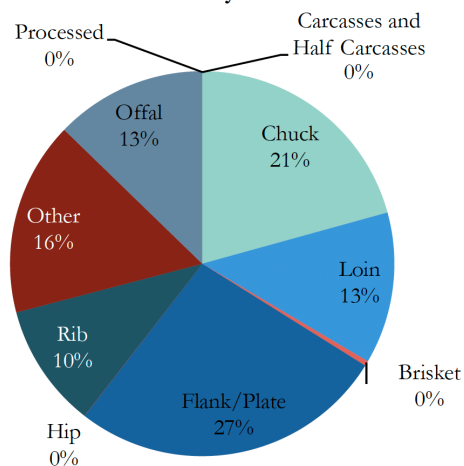
**Canadian Beef Exports to China & Hong Kong by Product Type, 2019**



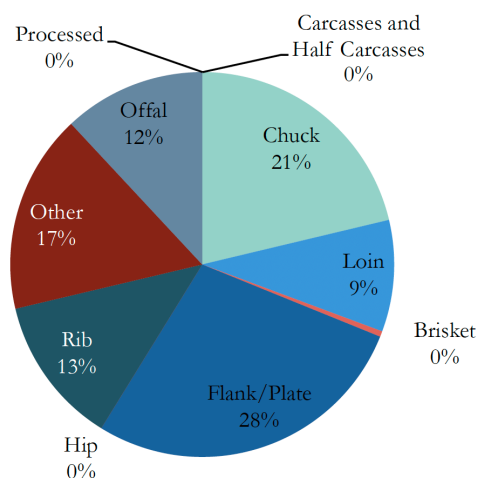
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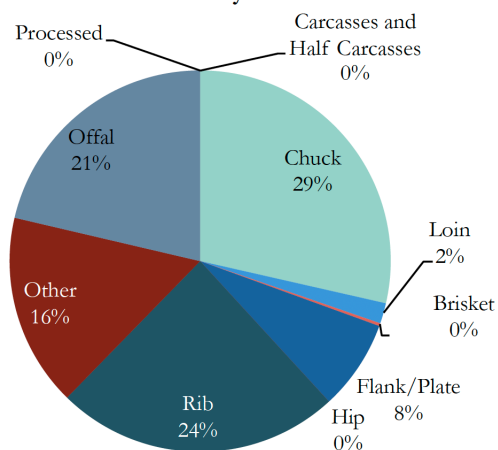
Canadian Beef Exports to Japan by Product Type, 2020 ytd



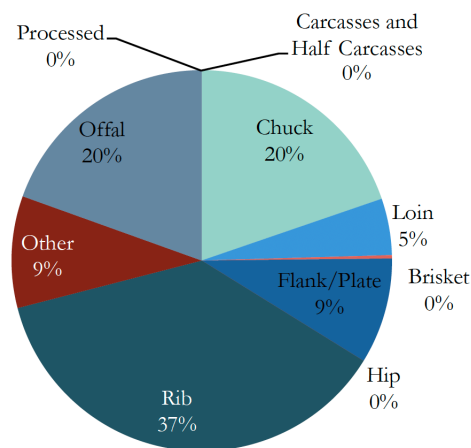
Canadian Beef Exports to Japan by Product Type, 2019



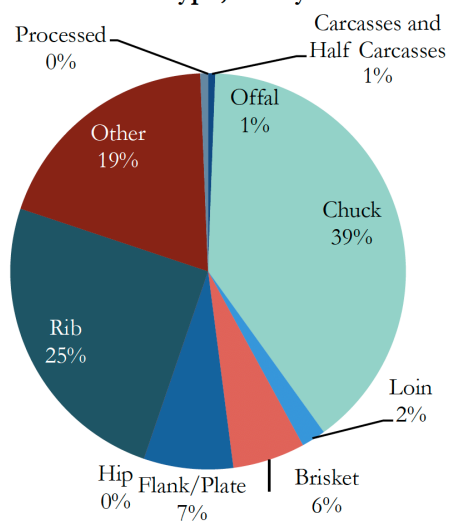
Canadian Beef Exports to Mexico by Product Type, 2020 ytd



Canadian Beef Exports to Mexico by Product Type, 2019



Canadian Beef Exports to Mainland China by Product Type, 2020 ytd



Canadian Beef Exports to Mainland China by Product Type, 2019

