



REPORT FOR MARCH 2021 YTD TRADE

March Sees Rising Exports



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In March 2021, Canadian beef exports of 38,475 tonnes were up 11.7% from March 2020 and up 15.7% from the five-year average for March. Federally inspected slaughter was down 7% from March 2020, however, at 296,923 head, March slaughter was the highest monthly slaughter this year. As well, slaughter numbers can be expected to increase into April based off historical trends. Exports each month have been above 2020 volumes so far. Year to date (Jan-Mar) 2021 exports of 109,323 tonnes valued at \$810 million were up 11.8% in volume and up 11% in value from last year. Exports volumes were up to the U.S (6.5%), Japan (10.9%), mainland China (45.8%), Mexico (53.9%), South Korea (74.2%), and SE Asia (328.9%). Year to date exports declined to the EU (excluding UK) (-1.2%), Hong Kong and Macau (16.9%), the UK (21.9%), MENA (-23.3%) and Taiwan (-61.8%)

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Exports to the EU

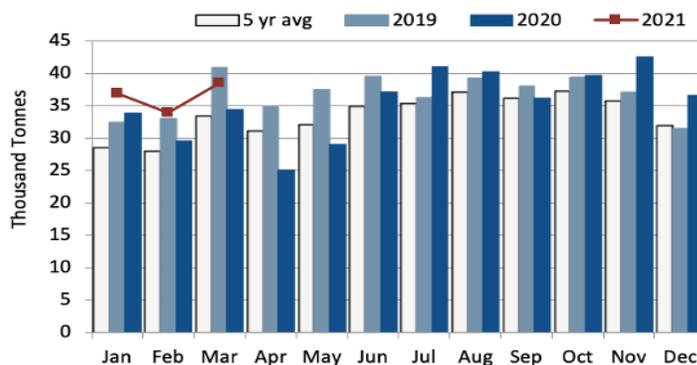
Export prices to the EU steadily grew from the early 2000's with jumps in 2011 and 2016; while volumes were inconsistent with highs and lows over from 2000-2016 until volumes started to consistently trend upwards. Following the BSE outbreak in 2003, countries in the EU that did not have BSE, banned Canadian beef imports. Countries in the EU that already had BSE continued to import beef. After the EU installed the high-quality beef tariff rate quota in 2009 Canadian exports slowly declined. Multiple factors contributed to this, as other exporters increased production of high-quality beef that met the quota's specifications. Canadian beef exports to the EU dropped by 49% volume from 2013-2016 until CETA was approved in 2017. In August 2014, Russia banned imports of agricultural products from countries that had applied economic sanctions on them. This resulted in reduced imports from the EU and domestic production increased. Consequently, there was more product available within EU that would have previously been exported. These and other factors have influenced EU beef prices, supply and demand for imports in 2015 and 2016.

The EU's top beef suppliers in 2019 were Brazil with 38% market share, Argentina with 19%, Uruguay with 17%, and the U.S. with 8%. Even though CETA has increased trade, Canada is only taking advantage of small portion of the trade allowance with 494 tonnes exported to the EU (excl. the UK) in 2019 and then 879 tonnes in 2020. Canada is allowed access to 50,000 tonnes through CETA. Exports could be limited by several factors. First, it seems imports primarily come from countries who produce grass-fed hormone-free beef, showing areas of the EU have a preference for yellow fat, versus the white fat that comes from grain finishing. The UK also has different food health standards and technical non-tariff trade barriers that have limited volumes.

The EU has had stable imports/exports the last several years signalling that the demand for beef is consistent, but has declined in the last two years. There could be low access to preferred beef products. The EU's preference for yellow fat is being filled by other suppliers while Canadian beef fills niche markets looking for quality. However, the UK consumer prefers beef with white fat marbling and is responsible for majority of the EU's imports from Canada.

Year-to-date exports in 2021 to the EU (excl. UK) of 141 tonnes valued at \$2.5 million was down 1.2% in volume and down 9.4% in value as the unit price decreased 8.3% from \$19.52/kg to \$17.90/kg. The EU-27 represents only 0.1% of Canada's exports.

Canadian Monthly Beef and Veal Exports



Source: Statistics Canada



Exports to the United Kingdom

Of the 2,034 tonnes of Canadian beef exported to the EU (including the UK before Brexit) in 2019, 1,543 tonne or 75% of that went to UK. The UK's share of Canadian exports in 2019 was 16% more than in 2018. Of the \$27.8 million the EU paid to Canada in 2019 for beef exports, \$18.4 million or 66% was from the UK. Loss of trade access to the UK would significantly reduce Canadian beef exports to the EU under CETA. In 2020, exports decreased 12% from the 2019 and in the first three months of 2021 have seen a big decrease again. Canada is working on ratifying a trade deal with the UK in the wake of Brexit. However, the UK is currently facing border issues with their trade system that has been affecting trade.

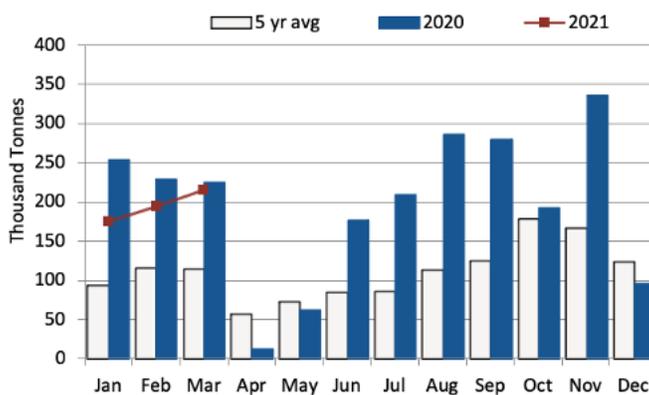
Year-to-date 2021 exports to the UK of 429 tonne valued at \$5.2 million were down 22% in volume and down 24% in value as the unit price dropped 3.2% from \$12.51/kg to \$12.11/kg in 2021. The UK represents 0.4% of Canada's exports.

To increase beef exports to the EU, beef that meets the food health standards of the EU must be produced and processed by packers certified for export to these countries. Canada must also continue to create a strong brand of high-quality beef to expand in niche markets and countries that have growing preferences for grain-finished beef. While Canadian beef exports from 2019-2020 almost doubled and 2021 exports are quite consistent with 2020, there is plenty of room for exports to grow within the quota limits.

March 2021 Exports to EU-27 excl. UK by Primal

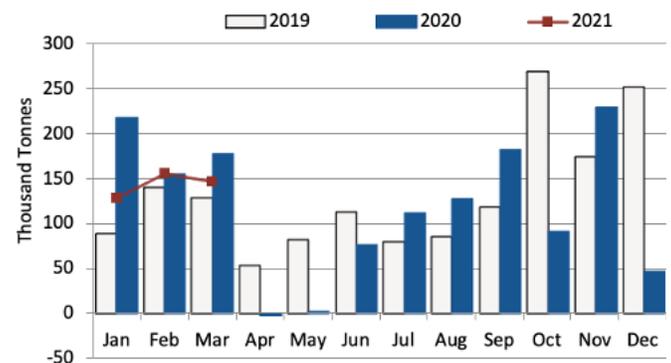
- Other cuts at 140 tonnes valued at \$2.5 million were stable in volume and down 8.7% in value from the same period in 2020. Other cuts represent 99% of total exports to EU-27 excl. UK.
- Loin cuts at 0.602 tonnes valued at \$ 9,578 were down 60% in volume and up 60% in value from the same period in 2020. Loin cuts represent 0.43% of total exports to EU-27 excl. UK.
- Processed cuts of 0.095 tonnes valued at \$774 were up 196% in volume and up 279% in value from the same period in 2020. Processed cuts represent 0.07% of total exports to EU-27 excl. UK.
- Brisket cuts at 0.055 tonnes valued at \$449 were up over 100% in volume and value from the same period in 2020. Brisket cuts represent 0.04% of total exports to EU-27 excl. UK.
- Offal cuts at 0.042 tonnes valued at \$191 were down 27% in volume and down 67% in value from the same period in 2020. Offal cuts represent 0.03% of total exports to EU-27 excl. UK.
- There were zero tonnes of hip, rib, chuck or flank/plate exported to EU-27 excl. UK in January 2021.

Monthly Beef Exports to EU



Source: Statistics Canada

Monthly Beef Exports to UK



Source: Statistics Canada

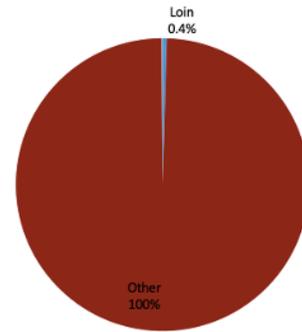




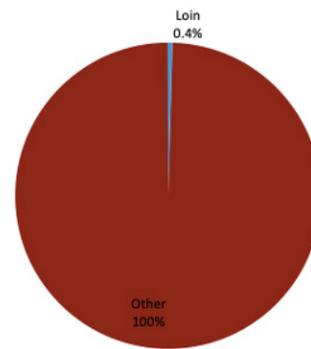
March 2021 Exports to the UK by Primal

- Other cuts at 131 tonnes valued at \$1.2 million were down 6% in volume and down 15% in value from the same period in 2020. Other cuts represent 31% of total exports to the UK.
- Chuck cuts of 93 tonnes valued at \$1 million were down 4.3% in volume and down 9% in value from the same period in 2020. Chuck cuts represent 22% of total exports to the UK.
- Loin cuts at 83 tonnes valued at \$1.5 million were over 100% increase in volume and in value from the same period in 2020. Loin cuts represent 19% of total exports to the UK.
- Ribs cuts at 65 tonnes valued at \$874 thousand were down 41% in volume and down 42% in value from the same period in 2020. Rib cuts represent 15% of total exports to the UK.
- Brisket cuts at 5 tonnes valued at \$48 thousand were up way over 100% in volume and up 100% in value from the same period in 2020. Brisket cuts represent 11% of total exports to the UK.
- Plate/flank cuts at 7 tonnes valued at \$142 thousand were up 1% in volume and up 3% in value from the same period in 2020. Plate/flank cuts represent 2% of total exports to the UK.
- There were zero tonnes of hip or offal exported to the UK YTD March 2021.

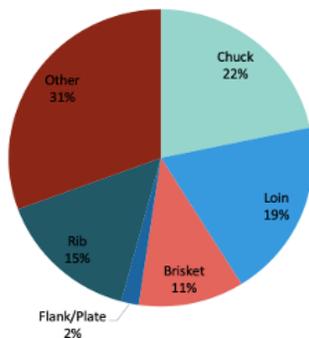
Canadian Beef Export Volumes to the EU 27 (excl. UK) by Product Type 2021 ytd



Canadian Beef Export Values to the EU 27 (excl. UK) by Product Type 2021 ytd



Canadian Beef Export Volumes to the UK by Product Type 2021 ytd



Canadian Beef Export Values to the UK by Product Type 2021 ytd

