



REPORT FOR APRIL 2021 YTD TRADE

Exports Continue to Rise Over Previous Years



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Canadian beef exports in April 2021 were 41,542 tonnes valued at \$329 Million, up 66% in volume and up 96% in value from April 2020 as it marks one year since global beef processing and exporting was affected by COVID-19. April exports were also up 34% from the 5-year average and have been increasing since February. Federally inspected

slaughter numbers were up 56% from April 2020 as this month last year saw major processing shortages due to COVID-19 outbreaks, however average April weekly slaughter was still up 11% from the 5-year weekly average.

Year to date, January through April 2021 beef exports at 150,866 tonnes valued at \$1.1 billion were up 22.8% in volume and 27% in value from the same period in 2020. Export volumes increased to the U.S. (18%), Japan (18%), Mexico (86%), mainland China (58%), SE Asia (381%), South Korea (77%), the EU (50%) and MENA (10%). Year-to-date exports declined to Hong Kong and Macau (-22%), Taiwan (-66%), and the UK (-7%).

Primal Exports to Vietnam

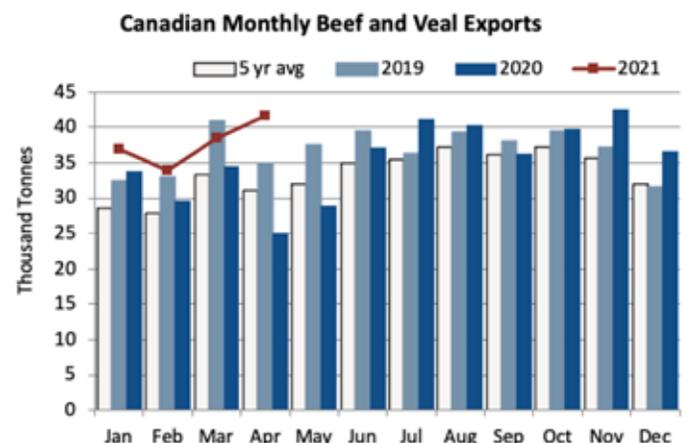
YTD exports to Vietnam in 2021 of 4,299 tonne valued at \$28 million were up 394% in volume and up 441% in value.

Canada's market access has gained strength in recent years thanks to significant tariff cuts under CPTPP and duty free access since 2020 (elimination of a 20% tariff on beef). Beef exports to Vietnam of 947 tonne in 2018 increased to 1,279 in 2019 and had surpassed that by June of 2020. The 2020 year ended at 7,041 tonnes and has reached 4,299 tonnes (Jan-April) in 2021. Canada's main competitors in Vietnam include the US and Australia. While pork is the most popular livestock products consumed in Vietnam, meat consumption as a whole has increased in recent years faster than population growth. Beef consumption is quite minor compared to both pork and poultry and accounts for less than 10% of all meat consumed.

Opportunities within Vietnam for Canadian food exporters include that there is a relatively large and growing consumer market that is demanding better quality and safe food as well as growth of the modern food retail, food service and food processing sectors. However, the challenges in this market are that

it is very price sensitive and there is less transparency in policy making and implementation. Technical barriers to trade such as sanitary and phytosanitary issues also create extra competition for Canada against other regional competitors such as China, Australia, New Zealand, South Korea, Japan and European suppliers. Canada's trade is supported by the CPTPP which provides greater predictability and a rule based trading environment that helps ensure that market access gains for Canadian exporters is not undermined.

It is expected that the market for beef in Vietnam is beginning to mature following years of expansion; but is still expected to grow modestly and experience more growth than pork. The expansion of the modern retail sector has given momentum to the beef sector in Vietnam, with outlets of several supermarket chains carrying beef and beef products. For example, in 2014, Japanese retail giant Aeon (JPN) opened a mall and supermarket in Ho Chi Minh City, widely featuring beef imported from the US. Other modern retail outlets such as MegaMarket and Lotte Mart also carry beef imported from the US. Canadian beef is visible in specific supermarket chains such as VinMart and AEON, thanks largely to TD food's efforts in marketing with support from CBI and Canadian Trade Commissioner Service. But the majority of Canadian beef is being consumed in the hospitality industry without brand visibility or is mistaken as US origin. Beef is mainly imported by specialised wholesale traders which supply retail, foodservice, and food processors directly or via their agent outlets. Some large retailers or restaurant chains also import directly.





Food Service

The rapid growth of beef-centric restaurant chains in Vietnam has led to a rising demand for imported beef from countries such as Australia, India and the US. Beef-centric restaurant chains such as Golden Gate and Red Sun, which have opened numerous outlets under different brands, are the primary factors driving beef imports. Certain restaurant chains directly purchase beef from the US. So far, market expansion has been confined to Ho Chi Minh City and Hanoi, but businesses have begun exploring the Da Nang and Hai Phong areas as well.

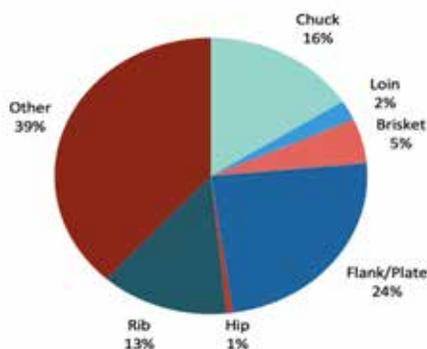
The popularity of Korean BBQ are increasingly driving demand for specific cuts of meat, while good quality sirloin, t-bone and ribeye steak are in demand from consumers after premium beef cuts (particularly in restaurants). During the first wave of COVID-19 in Vietnam, people had to shift to take-away and home-delivery options instead of dining in at restaurants and food outlets. For post-COVID-19, this trend will continue to grow gradually due to health and safety concerns.

Some major restaurant chains such as Golden Gate and Red Sun are offering home-delivery hotpot, for which they lend consumers hotpot equipment. However, dining in at restaurants will remain as an important channel for beef consumption, especially for millennials. As a “new normal” develops, restaurants have applied hygiene practices, physical distancing and capacity limit requirements.

January to April 2021 Exports by Primal to Vietnam

- Other cuts at 1,650 tonnes valued at \$9.7 million were up 224% in volume and up 255% in value from the same period in 2019. Other cuts represent 38% of total exports to Vietnam.
- Flank/plate cuts at 1,041 tonnes valued at \$5.9 million were up 758% in volume and up 966% in value from the same period in 2019. Flank/plate cuts represent 24% of total exports to Vietnam.
- Ribs cuts at 567 tonnes valued at \$4.45 million were up 487% in volume and up 539% in value from the same period in 2019. Rib cuts represent 13% of total exports to Vietnam.
- Chuck cuts at 685 tonnes valued at \$5.47 million were up 386% in volume and up 371% in value from the same period in 2019. Chuck cuts represent 16% of total exports to Vietnam.
- Brisket cuts at 224 tonnes valued at \$1.4 million were up immensely as only half a tonne was exported to Vietnam the same period in 2019. Brisket cuts represent 5% of total exports to Vietnam.
- Loin cuts at 100 tonnes valued at \$668 thousand were up immensely as less than a tonne was exported to Vietnam the same period in 2019. Loin cuts represent 2% of total exports to Vietnam.
- Hip cuts at 27 tonnes valued at \$239 thousand were up as zero hip cuts were exported to Vietnam in 2019. Hip cuts represent 1% of total exports to Vietnam.
- There was no Offal exported to Vietnam.

Canadian Beef Export Volumes to Vietnam by Product Type 2021 ytd



Canadian Beef Export Values to Vietnam by product Type 2021 ytd

