



REPORT FOR JULY 2021 YTD TRADE

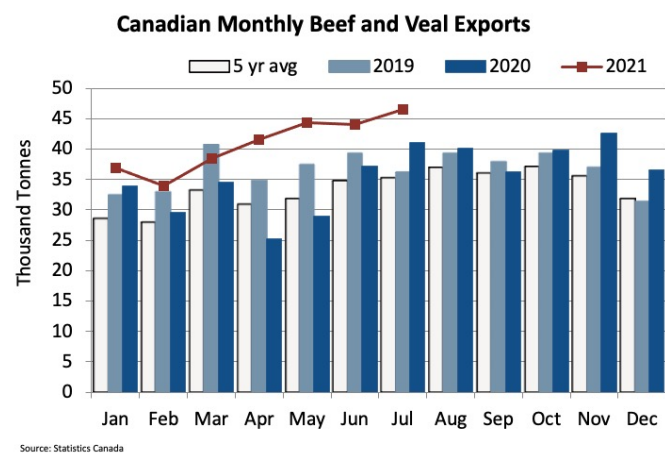
Beef Exports See Solid Growth Through July 2021

Canadian beef exports July 2021 were 46,474 tonnes valued at \$413 Million up 13% in volume and up 44% in value from July 2020. Federally inspected cattle slaughter in July was 272,164 head down 15% from 2020, but up 3% from the five-year average. Even though slaughter was down from June, July showed the third highest monthly slaughter this year. From January through July, federally inspected slaughter was up 14% from 2020 and 4.2% from 2019. Larger domestic beef production has been supporting export volumes.



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In July 2021, Canadian beef exports were up 13% from July 2020, and up 32% from the five-year average for July. This was the highest monthly tonnage and value this year and continue to rise above not only last year but also the five-year average. Similar to the U.S., Canada has seen strong growth in exports to China, Mexico and South East Asia.



Year to date (January through July) beef exports of 286,734 tonne valued at \$2.3 billion are up 24% in volume and 28% in value. Export volumes increased to the U.S. (15%), Japan (31%), Mexico (102%), mainland China (134%), SE Asia (382%), South Korea (71%), the EU (56%), and MENA (60%). Year-to-date exports declined to Hong Kong and Macau (-30%), Taiwan (-48%), and the UK (-19%). Many countries

still have regulations on unvaccinated travellers, and several countries are reintroducing indoor masking, but food service and retail show strong demand. Canadian beef exports are expected to stay strong in the second half of the year, supported by domestic beef production and as international economies continue to re-open and recover from COVID-19. Domestic production is forecast to be supported by net feeder trade from the first half of the year as exports were cut in half and U.S. feeder imports were double in the first half of the year.

Exports of Primals

Exports to the U.S. from Canada in the first quarter this year were the highest they have been since 2007. Total U.S. beef imports are down significantly from Australia while Canada and Brazil have stepped in to fill that demand. Chuck continues to be one of the top primals imported from Canada as it helps meet the demand for lean meat grinds in the always popular burger industry.

Japan has seen chuck become the number one export primal from Canada surpassing flank and plate. However, this is still consistent with traditional demand as Japan tends to prefer lean cuts of beef. Exports in volume are up as the price of short plate has doubled year over year as demand as increased from other Asian markets.

In China, total meat imports in the first quarter were up 21% compared with the same period last year as beef demand remains strong. There is room for increased exports to China as there is tight supplies from countries like Brazil, Argentina and Australia causing high prices. In Hong Kong, they saw their first quarter of growth in GDP after six straight quarters of contraction, however, tourism has still not recovered and that has impacted retail and food services. China and Hong Kong have seen chuck surpass rib as the number one export primal from Canada.

In Mexico, demand has strengthened in supermarkets for fresh Canadian beef, with boneless loins, ribs and cuts from the chuck and rounds gaining market share from domestic products. Chucks and offal top the export list from Canada as they are popular cuts used for processing. There are new Canadian Beef product lines being introduced in many large retailers and



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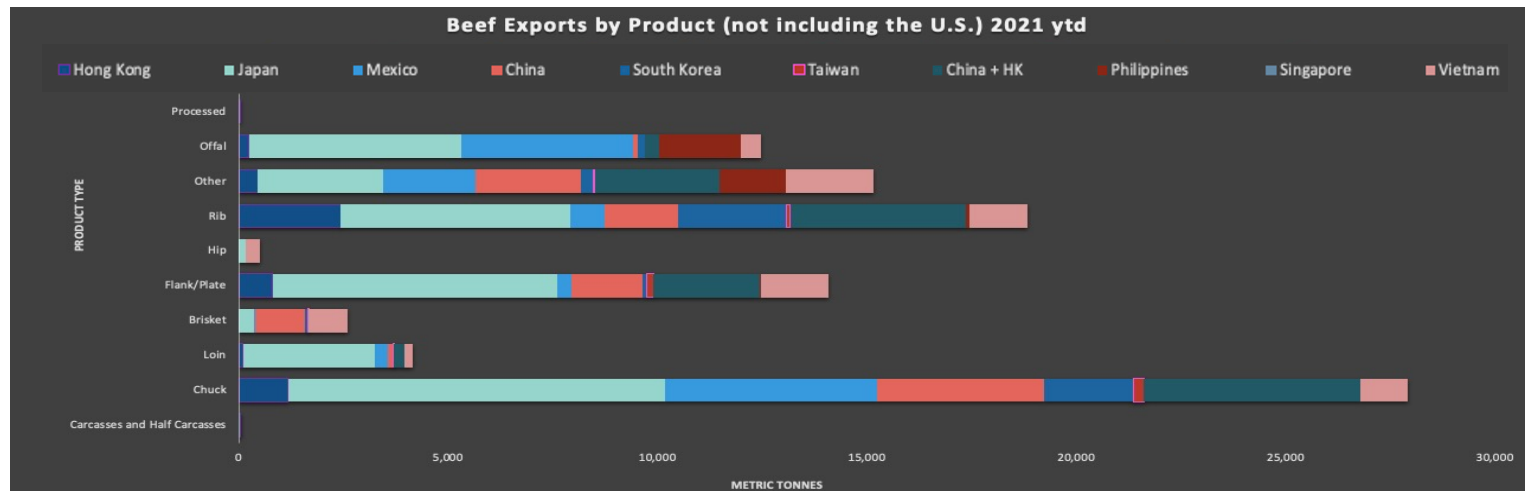
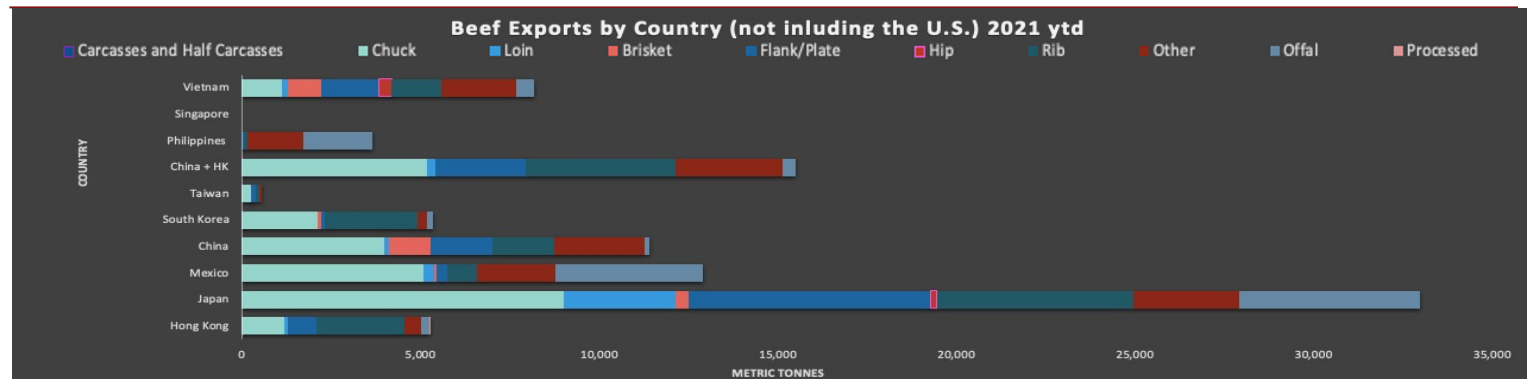
wholesale clubs as they try to differentiate themselves from the competition.

In South Korea, the main beef end users are burgers, steak houses, BBQ outlets, shabu shabu and brisket soup. Chuck being one of their top imports, it is commonly used for BBQ, Bulgogi and shabu shabu (a hot pot dish).



Primals by Country (January to July 2021)

- **The U.S.'** top three primal exports from Canada YTD are Other (74,721 tonne; 38%), Chuck (35,674 tonne; 18%), and Loin (19,438 tonne; 10%).
- **Japan's** top three primal exports from Canada YTD are Chuck (8,999 tonne; 27%), flank/plate (6,795 tonne; 21%), and Rib (5,485 tonne; 17%).
- **China and Hong Kong's** top three primal exports from Canada YTD are Chuck (5,163 tonne; 31%), Rib (4,188 tonne; 25%), and Other (2,981 tonne; 18%).
- **Mexico's** top three primal exports from Canada YTD are Chuck (5,078 tonne; 37%), Offal (4,112 tonne, 30%), and Rib (1,745 tonne, 16%).
- **South Korea's** top three primal exports from Canada YTD are Rib (2,587 tonne; 48%), Chuck (2,128 tonne, 40%), and Other (284 tonne; 5%).



CANADIAN BEEF TRADE

