



REPORT FOR SEPTEMBER 2021 YTD TRADE

Beef exports dip but still 22% above 2020.



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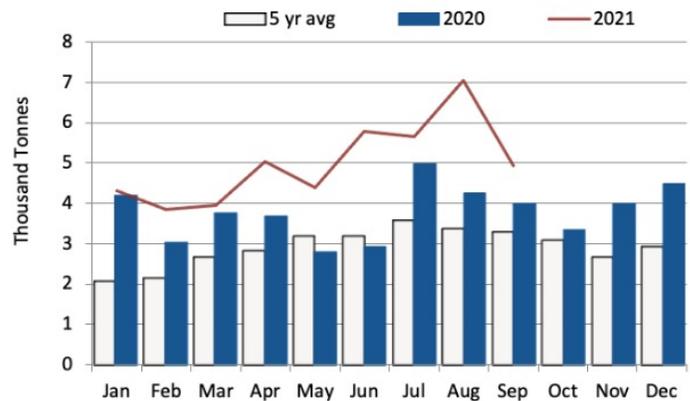
Canadian beef exports in September of 44,304 tonnes valued at \$436 million, were up 22% in volume and up 72% in value from September 2020. While export volumes remain well above 2020 levels (+22%) and the five-year average (+23%); monthly volumes dropped from the previous month for the first time since February. The gap from the smallest export month (February) to the largest export month (August) was 17,682 tonnes. The spread from the smallest to largest month of exports in 2020 was 17,451 tonnes and in 2019, which showed more stable exports, was 9,256 tonnes. Federally inspected slaughter in September 2021 at 322,254 head was up just 1.8% from last year and up 26% from the five-year average. September was the largest slaughter month to date, up 19% from August. Slower export volumes mean that more product was available on the domestic market.

From January to September exports were up 25% in volume and up 38% in value, compared to last year. Year-to-date export volumes increased to the U.S. (16%), Japan (35%), Mexico (104%), mainland China (118%), SE Asia (excluding Taiwan) (243%), South Korea (95%), the EU (excluding UK) (32%), and MENA (42%); but declined to Hong Kong and Macau (-35%), Taiwan (-42%), and the UK (-37%).

Exports to Japan

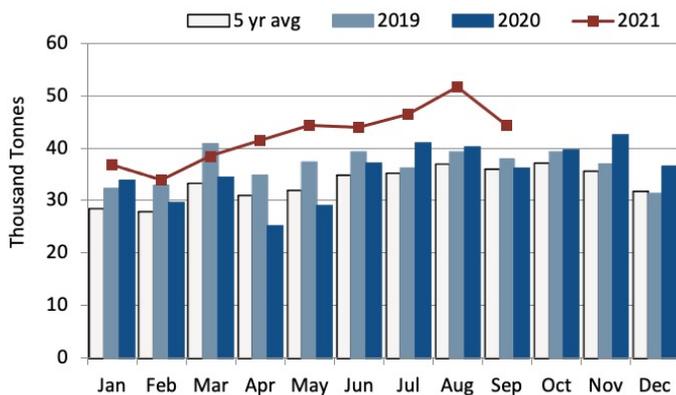
Year-to-date exports to Japan of 44,979 tonnes valued at \$329 million are up 35% in volume and up 41% in value. As of June, Canada represented 8.1% of Japanese total beef imports, which was up 2% from last year. Already surpassing 44,000 tonnes in exports to Japan in September predicts a record year of exports for 2021. The last five years have seen an average of 34,000 tonne with a high of 49,333 tonnes in 2019 and low of 20,583 tonnes in 2016. YTD numbers suggests that exports to Japan could reach 60,000 tonnes in 2021, showing strong demand for Canadian beef. Japan represents 11.8% of Canada's total beef exports, the second largest market after the U.S.

Monthly Beef Exports to Japan



Source: Statistics Canada

Canadian Monthly Beef and Veal Exports



Source: Statistics Canada

There has been a shift in the primals being exported to Japan. In 2020, flank and plate were the popular performing primals (25% of volume), which are now (18% YTD) being outperformed by both chuck (28%) and offal (19%). Chuck has gained 6% of the Canadian beef exports from last year; while offal has gained 7%, and flank and plate has lost 4%.

Majority of beef demand in Japan stems from traditional dishes such as Japanese/Korean BBQ and beef bowl cuisine. Korean BBQ consists of thinly sliced short plate and chuck cuts as well as several offal cuts including beef tongue, outside skirt, hanging tender, small and large intestine. In the popular winter beef bowls, cuts from the chuck primal are sliced thinly. This reflects quite obviously in the most popular primal demands. What many Canadians think of as quality beef cuts remain seen



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as luxury cuts in Japan and are consumed on more special occasions compared to cuts required for traditional cuisine.

Japan's top suppliers are Australia, the U.S., Canada, Mexico and a few others make up the remainder. Exports in the first three quarters from Australia were down 11% due to high livestock prices, tight supplies, and increased competition from other CPTPP countries, like Canada (+35%). The U.S. exports to Japan were also up 5% year over year. There are still a few food service restrictions in place affecting demand recovery there, but retail remains strong and food service is expected to strengthen in the four quarter.

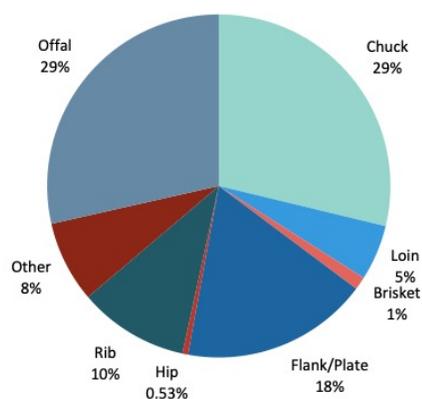
Exports by Primal to Japan YTD

- **Chuck cuts** at 12,575 tonnes valued at \$94.7 million were up 82% in volume and up 70% in value from the same period in 2020. Chuck cuts represent 28% of total exports.
- **Offal** at 8,373 tonnes valued at \$94 million were up 109% in volume and up 107% in value over the same period in 2020. Offals represent 19% of total exports to Japan.
- **Flank/plate cuts** at 8,187 tonnes valued at \$58 million were down 3% in volume and up 11% in value from the same period in 2020. Flank/plate cuts represent 18% of total exports.
- **Ribs cuts** at 7,330 tonnes valued at \$34 million were up 74% in volume and up 72% in value from the same period in 2020. Rib cuts represent 16% of total exports to Japan.
- **Loin cuts** at 3,884 tonnes valued at \$17.2 million were down 14% in volume and down 9% in value from the same period in 2020. Hip cuts represent 9% of total exports to Japan.
- **Other cuts** at 3,681 tonnes valued at \$25.2 million were down 29% in volume and down 37% in value from the same period in 2020. Other cuts represent 8% of total exports to Japan
- **Brisket cuts** at 713 tonnes valued at \$4 million were

up 339% in volume and up 370% in value from the same period in 2020. Brisket cuts represent 2% of total exports to Japan.

- **Hip cuts** at 230 tonnes valued at \$1.7 million were up 6,176% in volume and up 3036% in value from the same period in 2020. Hip cuts represent 0.51% of total exports to Japan.

Canadian Beef Export Values to Japan by Product Type 2021 ytd



Canadian Beef Export Volumes to Japan by Product Type 2021 ytd

