



REPORT FOR JULY 2022 YTD TRADE

Stable Exports Start To Rise Again.



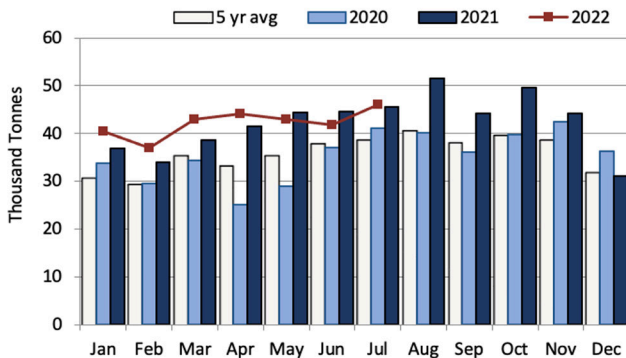
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Canadian beef exports in July 2022 of 46,049 tonnes valued at \$420 Million, were up 1% in volume and up 3% in value from July 2021; and up 19% in volume from the 5-year average. Besides a small dip in June, beef exports have been increasing since February. This summer's exports have been keeping up with the high numbers exported

last summer but will be tested in August which had the highest monthly exports in 2021. Exports this year have been more stable with the gap between the lowest and biggest month being 9,030 tonnes. In 2021, the gap was 20,542 tonnes with the peak month in August and the smallest month in December. Federally inspected slaughter numbers in were down -4.7% to 259,282 head in the month of July. Reduced production is expected to limit export volumes in the second half of the year.

Year-to-date beef exports of 295,238 tonnes valued at \$2.6 million were up 3% in volume and up 16% in value from last year. Export volumes have increased to the US (2%), Japan, (34%), Mexico (4%), South Korea (142%), Taiwan (39%), EU 27 (7%) and MENA (122%), but declined to Hong Kong and Macau (-48%), mainland China (-99%) and Southeast Asia (excl. Taiwan) (-17%).

Canadian Monthly Beef and Veal Exports



Source: Statistics Canada

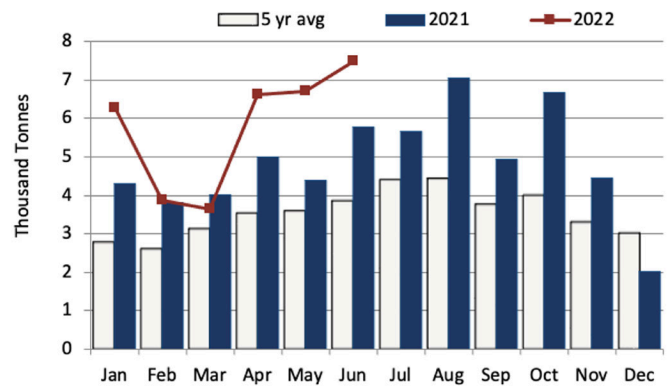
Primal Exports to Japan

While North America and Europe have been operating without covid restrictions for some time now, Japan is only just emerging from COVID-19 restrictions. Until June, borders were still

Source: Statistics Canada and AAFC

closed to international travelers. Japanese consumers also still remain cautious in regard to food service. Overall, food inflation in Japan edged up to a seven-year high of 4.1% in May 2022 from 4.0% in the previous month. Imported retail beef prices were up 11% year-over-year in June while domestic prices for beef, pork and chicken remained about the same. Household beef consumption in July decreased 1.3% year-over-year; while pork and poultry consumption slightly increased, as consumers' shifted to cheaper pork and chicken. Even with these price hikes affecting demand for imported beef, as consumers choose to substitute for other meat or poultry products, demand for Canadian beef remains high and July saw the largest monthly volume this year.

Monthly Beef Exports to Japan



Source: Statistics Canada

Year-to-date July exports to Japan are 44,086 tonnes valued at \$356 million were up 33.6% in volume and up 55.2% in value. Japan is Canada's second biggest export customer after the United States and is responsible for 14.9% of Canada's exports.

The majority of beef demand in Japan stems from traditional dishes such as 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 as luxury cuts in Japan and are consumed on more special occasions compared to cuts required for traditional cuisine.

CANADIAN BEEF TRADE



Flank and Plate were down 44% year-over-year due to the overstocking and appreciation of the USD against the Japanese yen. In Japan, flank, plate, and brisket all fit into a category called “bara”. In July 2022, Bara volumes were down 7%. A decrease in flank and plate, but an increase in brisket could mean it is seen as an alternative to flank and plate.

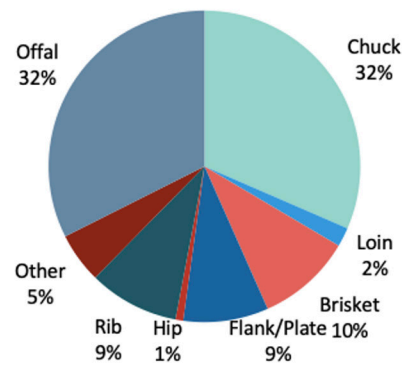
Canada currently holds 8% of Japan’s market share for imported beef tonnes YTD July 2022. Canada’s biggest competitors are the United States (43% market share) and Australia (38%). Year-to date beef imports from Mexico were up 56% due to its competitive price. Mexico’s average beef price was C\$5.83/kg, which was 22% lower than Canadian beef. Imports of New Zealand beef were up 15% (holding 5% market share) due to being a strong alternative to Australian product.

Beef Exports to Japan, by Primal January to July 2022

- **Offal** cuts of 13,932 tonnes valued at \$123.5 million were up 175% in volume and up 119% in value over the same period in 2021. Offal cuts represent 32% of total exports to Japan.
- **Chuck** cuts at 13,544 tonnes valued at \$112 million were up 51% in volume and up 70% in value from the same period in 2021. Chuck cuts represent 32% of total exports to Japan.
- **Brisket** cuts at 4,235 tonnes valued at \$22.8 million were up 1053% in volume and up 940% in value from the same period in 2021. Brisket cuts represent 10% of total exports to Japan.
- **Rib** cuts at 4,028 tonnes valued at \$35.6 million were down 27% in volume and up 48% in value from the same period in 2021. Rib cuts represent 9% of total exports to Japan.
- **Flank/plate** cuts at 3,793 tonnes valued at \$26.3 million were down 43% in volume and 43% in value from the same period in 2021. Flank/plate cuts represent 9% of total exports to Japan.
- **Other** cuts at 2,244 tonnes valued at \$17.4 million were down 25% in volume and down 14% in value from the same period in 2021. Other cuts represent 5% of total exports to Japan.

- **Loin** cuts at 852 tonnes valued at \$8.9 million were down 72% in volume and down 32% in value from the same period of 2021. Loin cuts represent 2% of total exports in Japan.
- **Hip** cuts at 343 tonnes valued at \$2.8 million were up 118% in volume and up 138% in value from the same period in 2021. Hip cuts represent 1% of total exports to Japan.

Canadian Beef Export Volumes to Japan by Product Type 2022 ytd



Canadian Beef Export Values to Japan by Product Type 2022 ytd

