



# US Imported Beef Market

## A Weekly Update

Prepared Exclusively for Meat & Livestock Australia - Sydney

Volume 26, Issue 4

January 24, 2025

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### Market Highlights for the Week:

- US cattle prices were an average of \$204/cwt last week although by Friday some packers paid as much as \$212/cwt to secure supply.
- Boneless beef prices have surged higher as well, trading at \$361/cwt on Friday, a record price for this time of year. Prices have increased at a faster pace than what the seasonal would suggest but they also declined more than expected in December.
- Imported beef was steady as supply of imported beef coming in the first three weeks of the year is only modestly higher than a year ago.
- Australian shipments to the US in January are on pace to be up 10% y/y. Brazil and Paraguay also continue to ship product despite the quota now filled..
- Cattle on feed report construed as bullish as placements declined 3.3% y/y and on feed inventory down 1%.

### Imported Market Activity for the Week

Imported beef prices maintained a firm undertone, with prices quoted as steady to modestly higher compared to the previous week. While certain items were reported to be slightly lower, this was observed on limited volumes for very specific time frames, typically deliveries scheduled for early March. Buyers seeking to extend their coverage further out are finding overseas suppliers—

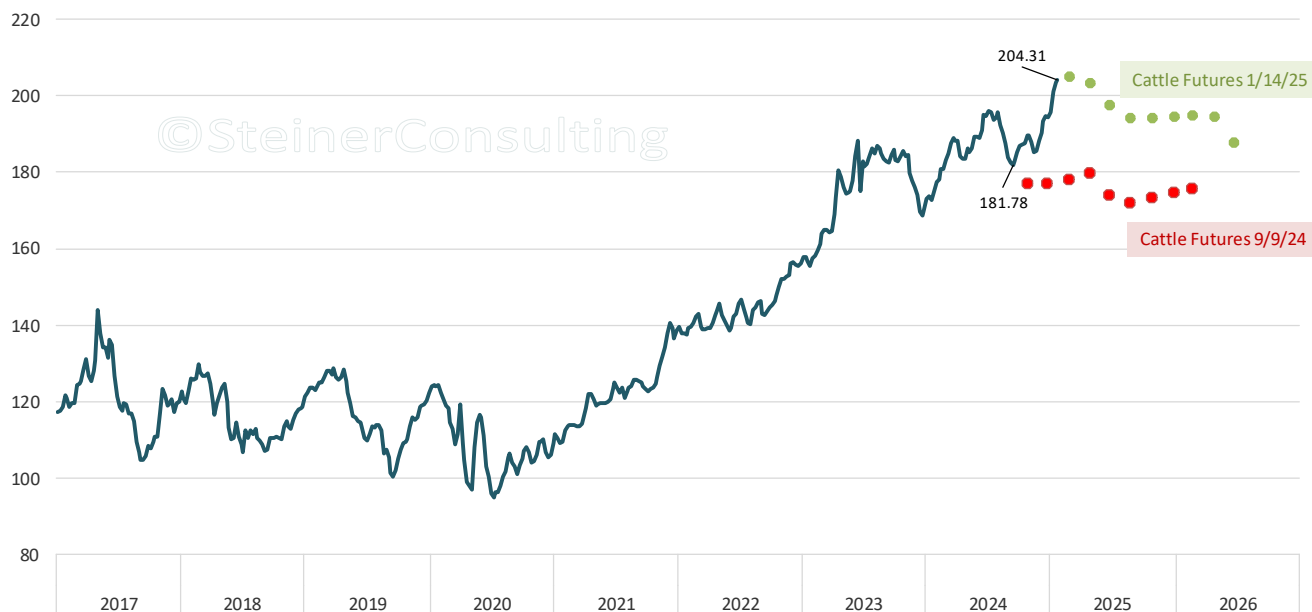
particularly from Australia—firmly holding their quotes and unwilling to negotiate downward. Booking larger volumes does not provide an advantage; instead, buyers are finding they need to pay a premium to secure greater quantities.

### Quota Update

The quotas available to Brazil and Paraguay were filled last week, ahead of expectations. This re-

### Fed Steer Prices + Shift in Fed Cattle Futures Since September 9

Data source: USDA-AMS and CME. Analysis by Steiner Consulting



flects an underestimation of the rush to clear product before the MFN quota was exhausted. Any additional volume from these countries will now incur a 26.4% tariff. The availability of South American beef this spring and summer is uncertain and will depend on weather conditions, Chinese demand, and the availability of U.S. lean beef.

### Domestic Lean Beef Price Trends

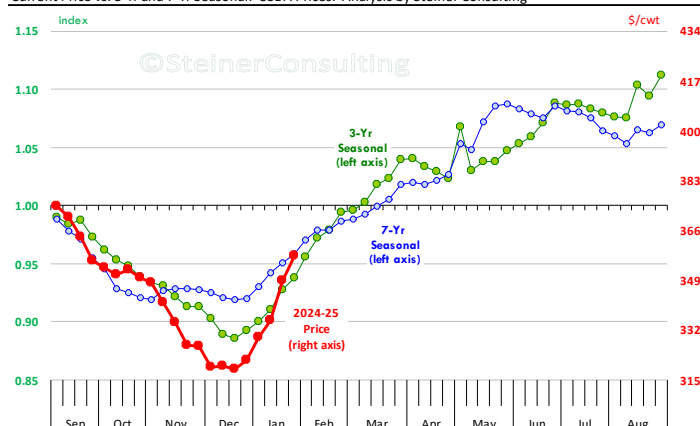
U.S. domestic lean beef prices have risen more quickly than anticipated. On Friday, 90CL fresh beef closed at \$361/cwt, marking a 10% gain since the start of the year. However, as the chart to the right (also featured in last week's report) illustrates, such a rapid rebound in prices early in the year is not unusual. Ground beef demand is relatively soft in December as retailers focus on holiday promotions, but it quickly strengthens in January, providing a boost for both lean and fat beef. While prices typically continue to increase into the spring—due to improved foodservice sales and warmer weather—the rate of growth is generally less steep than at the start of the year.

### US Fed Cattle Prices Hit New Record Highs

Adding to the bullish sentiment and the general sense of unease among beef buyers are the rapid gains in fed cattle prices. U.S. fed cattle values have surged over the past four months, altering expectations for wholesale beef prices, particularly for lean beef. On Friday, February fed cattle futures closed at \$204.77/cwt, closely aligning with last week's average of \$204.30. This marks an almost 13% increase since post-Labor Day trading levels. The chart on page 1 highlights how the forward futures curve reflects spot market activity rather than serving as a forecast.

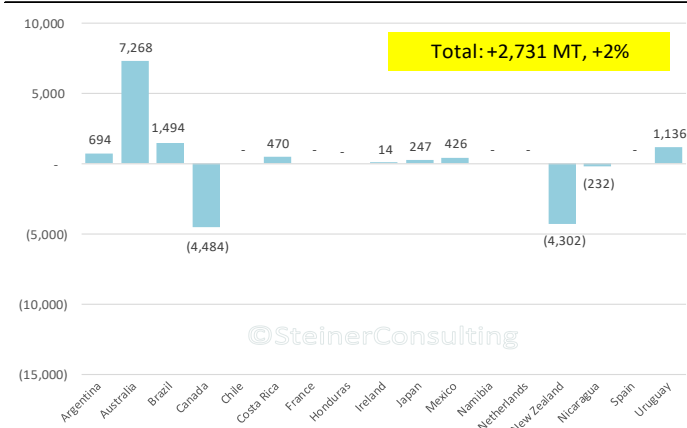
Fed cattle prices have remained particularly firm in recent weeks, as feedlots struggle to secure replacement cattle. A lack of imports from Mexico contributes to this challenge, though it is just one factor in an increasingly tight market. While feedlot supplies may be comparable to last year's levels, feedlots have demonstrated a willingness and ability to hold onto cattle for longer. Additionally, cold temperatures (-25°C) in key production states have slowed cattle weight gains, exacerbating packer difficulties in securing supplies.

Seasonality of Fresh US Domestic 90CL Beef Trim. Weekly Average USDA Price  
Current Price vs. 3-Yr and 7-Yr Seasonal. USDA Prices. Analysis by Steiner Consulting



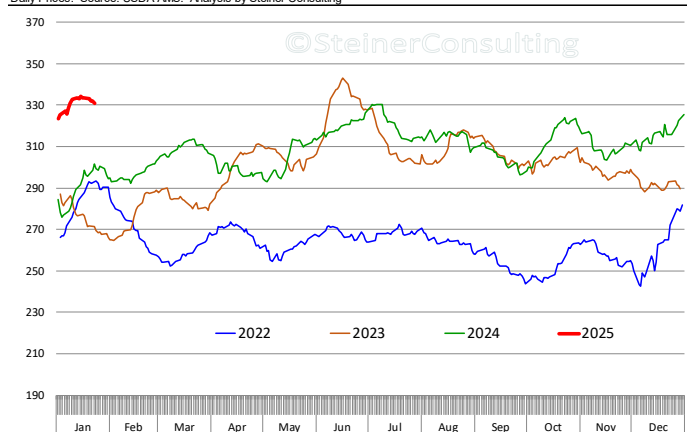
### Y/Y Change in the Volume of Beef Imported in 4 weeks ending Jan 18

Source: USDA-AMS. Product wt. basis.



### CHOICE BEEF CUTOUT

Daily Prices. Source: USDA-AMS. Analysis by Steiner Consulting



### Packer Challenges and Future Risks

Despite higher wholesale beef prices, packer margins are in the red, with losses of around \$50 per head. In the short term, however, cattle demand is highly inelastic, as production schedules cannot be adjusted arbitrarily. The current surge in fed cattle prices—reaching as high as \$212/cwt on Friday—

has highlighted the risks packers may face as cattle supply availability continues to decline. This issue will be further compounded by the addition of new packing capacity in the near future.

For imported beef suppliers, the ongoing rally has presented an excellent opportunity. However, it's important to remember that we have yet to observe the consumer response. Much of the beef currently being purchased at retail or foodservice was acquired at lower price points. On Friday, the Choice beef cutout turned lower, underscoring this dynamic.

### *Bullish Cattle on Feed*

The latest "Cattle on Feed" report was bullish, with feedlot cattle placements down 3.3% compared to the previous year, versus analysts' expectations of a 1% increase. Analysts polled ahead of the report seemed to underestimate the impact of the ban on Mexican feeder cattle. We believe the market was ahead of analysts on this one, and this news is likely already reflected in futures prices.

Higher placements in the fall mean the front-end supply is not as tight as it may appear. The supply of cattle that have spent over 150 days on feed was 2.266 million head, down 11,000 head (-0.5%) compared to a year ago. This suggests that while feedlots have cattle available to sell in the near term, they are choosing to hold on to them longer to add weight. Cold weather and cheaper feed have also contributed to this trend.

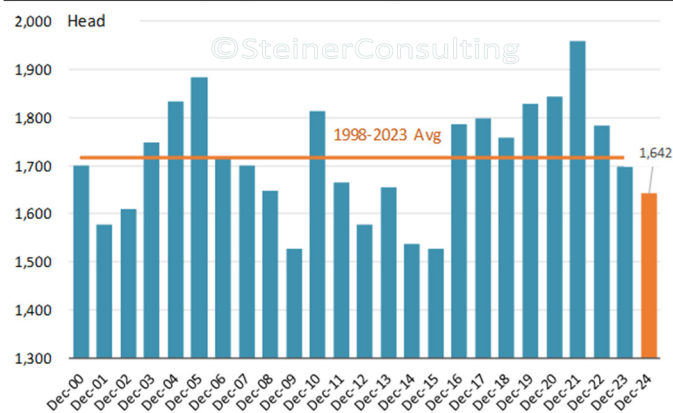
Cattle on feed for more than 120 days were estimated at 4.188 million head, 94,000 head (+2.3%) higher than last year. This further suggests that front-end supply is not particularly tight. Instead, the recent uptrend in cattle and beef prices can be attributed to strong beef demand and challenges faced by feedlots in replenishing inventories.

### *And Bullish Cold Storage Report*

Beef inventory at the end of December was the lowest in more than a decade. With less supply expected in the coming months, lower inventories should be supportive prices.

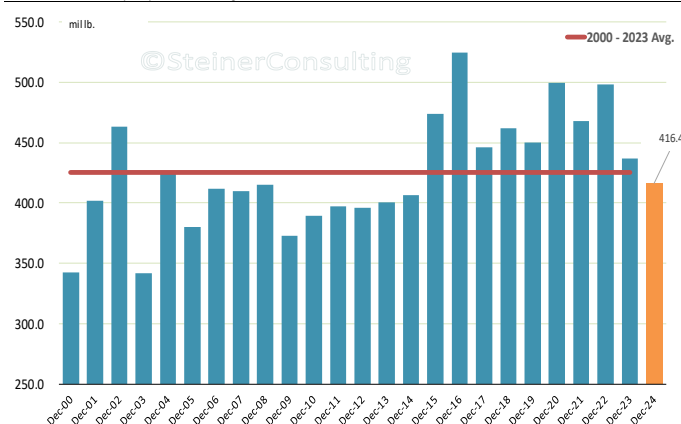
### Placements of Cattle on Feed in December

Source: USDA-NASS. Analysis by Steiner Consulting



### INVENTORY OF BONELESS BEEF AT END OF DECEMBER. MILLION LB.

Source: USDA-NASS. Analysis by Steiner Consulting



Boneless beef inventory at the end of December was 416.4M pounds, 4.7% lower than a year ago and 11.5% lower than the five-year average.

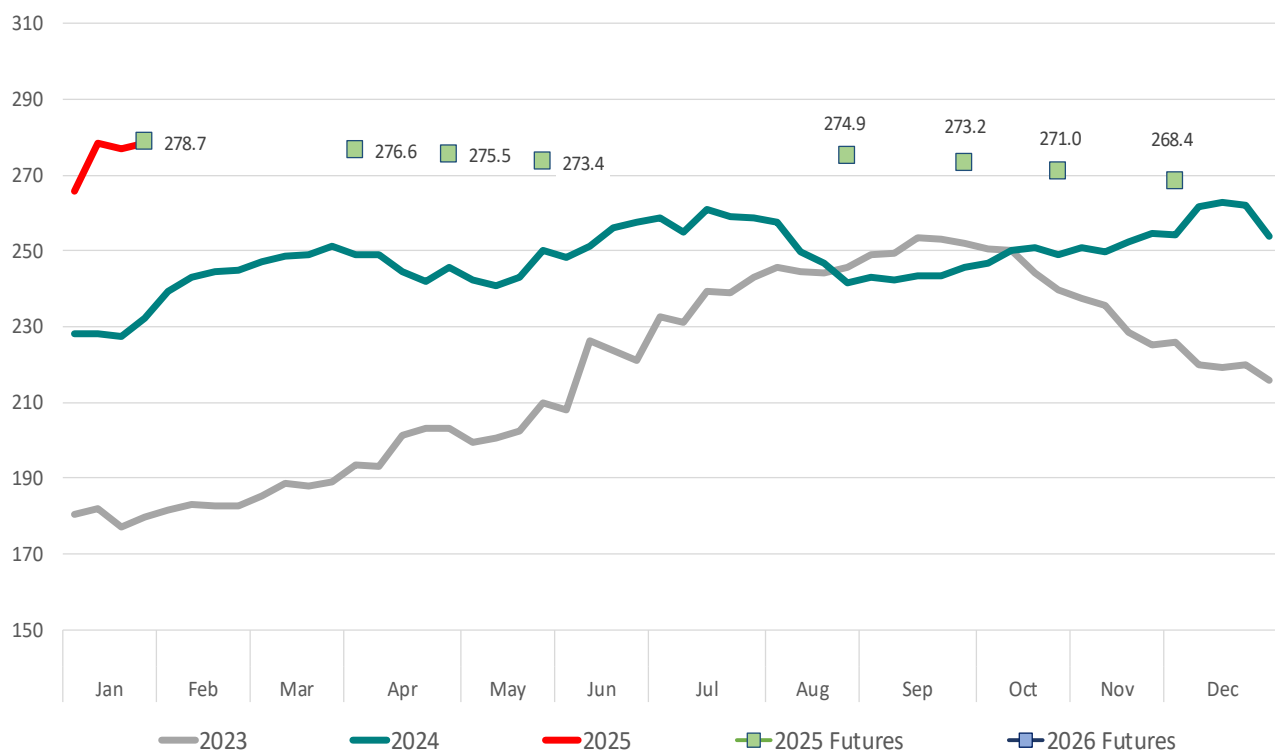
Inventory of boneless beef was 4.6% higher than the previous month, consistent with the increase in recent years but below the long run average, we think largely due to higher imports.

# CME Cattle Feeder Index and US Cattle Markets

|  | Current Week | Prior Week | % CHANGE VS.<br>WK AGO | Last Year | Change from<br>Last Year |
|--|--------------|------------|------------------------|-----------|--------------------------|
|  | 23-Jan-25    | 16-Jan-25  |                        | 25-Jan-24 |                          |
| CME FEEDER CATTLE INDEX  | 278.28       | 277.06     | 0.4%                   | 232.06    | 19.9%                    |
|  | 24-Jan-25    | 17-Jan-25  |                        | 26-Jan-24 |                          |
| FED STEER (5-MKT AVG)  | 204.31       | 203.43     | 0.4%                   | 175.11    | 16.7%                    |
| CUTTER COW CARCASS, NATIONAL,<br>90% LEAN, 350-400 LB. (carcass wt.) | 233.50       | 228.50     | 2.2%                   | 169.00    | 38.2%                    |
| BONER COW CARCASS, NATIONAL,<br>85% LEAN, 400-500 LB. (carcass wt.)  | 234.00       | 236.00     | -0.8%                  | 181.50    | 28.9%                    |
| BREAKER COW CARCASS, NATIONAL,<br>75% LEAN, 500+ (carcass wt.)       | 238.00       | 235.50     | 1.1%                   | 184.00    | 29.3%                    |
| CUTTER COW CARCASS CUTOUT,<br>5-DAY MA, USDA                         | 283.30       | 278.06     | 1.9%                   | 228.48    | 24.0%                    |

## CME Feeder Cattle Index. Actual + Futures for 2025

Source: CME. Analysis by Steiner Consulting



Source: Chicago Mercantile Exchange

**TABLE 2 – IMPORTED BEEF PRICES, 7:45 DAYS, CIF**

|  |       |       |            |       | Change<br>From Last<br>Week |           |       | Change<br>From Last<br>Year |
|--|-------|-------|------------|-------|-----------------------------|-----------|-------|-----------------------------|
| Current Week                                 |       |       | Prior Week |       |                             | Last Year |       |                             |
| 24-Jan-25                                    |       |       | 17-Jan-25  |       |                             | 26-Jan-24 |       |                             |
| <u>US East Coast Australian/NZ Lean, CIF</u> |       |       |            |       |                             |           |       |                             |
| 95 CL Bull, E. Coast                         | 318.0 | 320.0 | 318.0      | 320.0 | 0.0                         | 254.0     | 255.0 | 65.0                        |
|  | 300.0 | 301.0 |            | 300.0 | 1.0                         | 235.0     | 237.0 | 64.0                        |
| 90 CL Blended Cow                            | 290.0 | 295.0 | 290.0      | 295.0 | 0.0                         | 230.0     | 235.0 | 60.0                        |
| 90 CL Shank                                  | 282.0 | 283.0 | 281.0      | 283.0 | 0.0                         |           | 225.0 | 58.0                        |
| 85 CL Fores                                  |       | UNQ   |            | UNQ   | N/A                         |           | UNQ   | N/A                         |
| 85 CL Chucks                                 | 318.0 | 319.0 | 317.0      | 319.0 | 0.0                         | 253.0     | 254.0 | 65.0                        |
| 95 CL Bull, W. Coast                         |       |       |            |       |                             |           |       |                             |
| Uruguay CFH 90CL, E. Coast                   |       | UNQ   |            | UNQ   | N/A                         |           | UNQ   | N/A                         |
| <u>US East Coast, Trimmings, CIF</u>         |       |       |            |       |                             |           |       |                             |
| 85 CL Trimmings                              | 281.0 | 282.0 | 280.0      | 281.0 | 1.0                         | 222.0     | 223.0 | 59.0                        |
| 80 CL Trimmings                              | 248.0 | 250.0 | 248.0      | 250.0 | 0.0                         |           | 200.0 | 50.0                        |
| 75 CL Trimmings                              | 214.0 | 215.0 | 210.0      | 215.0 | 0.0                         |           | 170.0 | 45.0                        |
| 65 CL Trimmings                              |       | UNQ   |            | UNQ   | N/A                         |           | UNQ   | N/A                         |
| <u>US East Coast Australian Cuts, CIF</u>    |       |       |            |       |                             |           |       |                             |
| Cap Off Steer Insides                        | 370.0 | 375.0 | 370.0      | 375.0 | 0.0                         | 330.0     | 340.0 | 35.0                        |
|  |       | UNQ   |            | UNQ   | N/A                         |           | UNQ   | N/A                         |
| Steer Insides 14/18                          | 335.0 | 340.0 | 335.0      | 340.0 | 0.0                         | 300.0     | 305.0 | 35.0                        |
| Steer Flats                                  | 340.0 | 345.0 | 340.0      | 345.0 | 0.0                         | 295.0     | 300.0 | 45.0                        |

**TABLE 3 – IMPORTED BEEF PRICES, 7:45 DAYS, US WAREHOUSE**

|   |       |       |            |       | Change<br>From Last<br>Week |           |       | Change<br>From Last<br>Year |
|---|-------|-------|------------|-------|-----------------------------|-----------|-------|-----------------------------|
| Current Week                                  |       |       | Prior Week |       |                             | Last Year |       |                             |
| 24-Jan-25                                     |       |       | 17-Jan-25  |       |                             | 26-Jan-24 |       |                             |
| US East Coast Australian/NZ Lean, FOB US Port |       |       |            |       |                             |           |       |                             |
| 95 CL Bull, E. Coast                          | 328.0 | 330.0 | 328.0      | 329.0 | 1.0                         | 264.0     | 265.0 | 65.0                        |
|   |       |       |            |       |                             |           |       |                             |
| 90 CL Blended Cow                             | 310.0 | 312.0 | 311.0      | 312.0 | 0.0                         | 248.0     | 250.0 | 62.0                        |
| 90 CL Shank                                   | 304.0 | 305.0 | 302.0      | 305.0 | 0.0                         | 240.0     | 245.0 | 60.0                        |
| 85 CL Fores                                   | 294.0 | 295.0 | 293.0      | 295.0 | 0.0                         | 230.0     | 235.0 | 60.0                        |
| 85 CL Chucks                                  |       | UNQ   |            | UNQ   | N/A                         |           | UNQ   | N/A                         |
| 95 CL Bull, W. Coast                          | 328.0 | 329.0 | 328.0      | 329.0 | 0.0                         | 263.0     | 264.0 | 65.0                        |
|   |       |       |            |       |                             |           |       |                             |
| Uruguay CFH 90CL, E. Coast                    |       | UNQ   |            | UNQ   | N/A                         |           | UNQ   | N/A                         |
| US East Coast, Trimmings, FOB US Port         |       |       |            |       |                             |           |       |                             |
| 85 CL Trimmings                               | 293.0 | 294.0 | 293.0      | 293.0 | 1.0                         | 230.0     | 233.0 | 61.0                        |
|   |       |       |            |       |                             |           |       |                             |
| 80 CL Trimmings                               | 257.0 | 258.0 | 257.0      | 258.0 | 0.0                         | 210.0     | 212.0 | 46.0                        |
|   |       |       |            |       |                             |           |       |                             |
| 75 CL Trimmings                               | 224.0 | 225.0 | 222.0      | 223.0 | 2.0                         | 178.0     | 180.0 | 45.0                        |
|   |       |       |            |       |                             |           |       |                             |
| 65 CL Trimmings                               |       | UNQ   |            | UNQ   | N/A                         |           | UNQ   | N/A                         |
| US East Coast Australian Cuts, FOB US Port    |       |       |            |       |                             |           |       |                             |
| Cap Off Steer Insides                         | 380.0 | 385.0 | 380.0      | 390.0 | -5.0                        | 340.0     | 350.0 | 35.0                        |
|   |       |       |            |       |                             |           |       |                             |
| Steer Insides 14/18                           |       | UNQ   |            | UNQ   | N/A                         |           | UNQ   | N/A                         |
|   |       |       |            |       |                             |           |       |                             |
| Steer Flats                                   | 345.0 | 350.0 | 340.0      | 350.0 | 0.0                         | 310.0     | 320.0 | 30.0                        |
|   |       |       |            |       |                             |           |       |                             |
| Steer Knuckles                                | 360.0 | 365.0 | 355.0      | 360.0 | 5.0                         | 305.0     | 310.0 | 55.0                        |

**TABLE 4 – US DOMESTIC BEEF AND CATTLE PRICES**

|  | Current Week |       |        | Prior Week |       |        | Change From Last Week | Last Year |       |        | Change from Last Year |
|--|--------------|-------|--------|------------|-------|--------|-----------------------|-----------|-------|--------|-----------------------|
|  | 24-Jan-25    |       |        | 17-Jan-25  |       |        |                       | 26-Jan-24 |       |        |                       |
|  | Low          | High  | Wt.Avg | Low        | High  | Wt.Avg |                       | Low       | High  | Wt.Avg |                       |
| <u>Domestic Cutouts</u>  |              |       |        |            |       |        |                       |           |       |        |                       |
| Choice Cutout  | 327.92       |       |        | 333.69     |       |        | -5.8                  | 300.53    |       |        | 27.4                  |
| Select Cutout  | 316.29       |       |        | 319.83     |       |        | -3.5                  | 289.13    |       |        | 27.2                  |
| <u>Domestic Lean Grinding Beef</u>   |              |       |        |            |       |        |                       |           |       |        |                       |
| 90 CL Boneless   | 349.0        | 370.0 | 357.2  | 329.0      | 379.0 | 348.8  | 8.4                   | 266.0     | 321.0 | 286.4  | 70.8                  |
| 85 CL Beef Trimmings   | 307.0        | 333.5 | 312.5  | 290.9      | 329.5 | 308.1  | 4.4                   | 246.0     | 303.0 | 266.8  | 45.8                  |
| 50 CL Beef Trim  | 102.0        | 131.0 | 114.4  | 94.0       | 131.0 | 114.1  | 0.4                   | 73.0      | 115.0 | 92.3   | 22.2                  |
| <u>Domestic Pork Trim</u>  |              |       |        |            |       |        |                       |           |       |        |                       |
| 42 CL Pork Trim  | 39.4         | 69.5  | 43.4   | 36.0       | 69.5  | 40.2   | 3.2                   | 41.0      | 71.0  | 45.9   | -2.4                  |
| 72 CL Pork Trim  | 82.5         | 111.8 | 91.7   | 79.0       | 106.0 | 91.7   | 0.0                   | 77.0      | 107.6 | 88.8   | 2.9                   |
| <u>Point of Lean Values</u>  |              |       |        |            |       |        |                       |           |       |        |                       |
| 90 CL Domestic   | 396.9        |       |        | 387.5      |       |        | 9.4                   | 318.2     |       |        | 78.7                  |
| 50 CL Beef Trimming  | 228.9        |       |        | 228.1      |       |        | 0.8                   | 184.5     |       |        | 44.4                  |
| 42 CL Pork Trim  | 103.4        |       |        | 95.8       |       |        | 7.6                   | 109.2     |       |        | -5.8                  |
| 72 CL Pork Trim  | 127.4        |       |        | 127.4      |       |        | 0.0                   | 123.3     |       |        | 4.0                   |
| <u>National Direct Fed Steer</u><br><u>(5-day accum. wt. avg.</u><br><u>price)</u> | 204.31       |       |        | 203.43     |       |        | 0.9                   | 175.11    |       |        | 29.2                  |

**TABLE 5 – FUTURES AND SLAUGHTER INFORMATION**

| <i>Futures Contracts</i>            | <i>Current Week</i> | <i>Prior Week</i> | <i>Change From Last Week</i> |      | <i>Last Year</i> | <i>Change From Last Year</i> |
|-------------------------------------|---------------------|-------------------|------------------------------|------|------------------|------------------------------|
|                                     | <b>24-Jan-25</b>    | <b>17-Jan-25</b>  |                              |      | <b>26-Jan-24</b> |                              |
| <u><i>Live Cattle Futures</i></u>   |                     |                   |                              |      |                  |                              |
| <i>February '25</i>                 | 204.775             | 196.750           | ↑                            | 8.03 | 178.450          | ↑ 26.33                      |
| <i>April '25</i>                    | 203.025             | 197.500           | ↑                            | 5.53 | 181.675          | ↑ 21.35                      |
| <i>June '25</i>                     | 197.375             | 192.200           | ↑                            | 5.18 | 178.850          | ↑ 18.53                      |
| <i>August '25</i>                   | 193.875             | 189.475           | ↑                            | 4.40 | 178.625          | ↑ 15.25                      |
| <u><i>Feeder Cattle Futures</i></u> |                     |                   |                              |      |                  |                              |
| <i>January '25</i>                  | 278.700             | 273.500           | ↑                            | 5.20 | 232.060          | ↑ 46.64                      |
| <i>March '25</i>                    | 276.575             | 268.050           | ↑                            | 8.52 | 239.700          | ↑ 36.88                      |
| <i>April '25</i>                    | 275.450             | 268.125           | ↑                            | 7.32 | 245.600          | ↑ 29.85                      |
| <i>May '25</i>                      | 273.400             | 267.250           | ↑                            | 6.15 | 251.175          | ↑ 22.23                      |
| <u><i>Corn Futures</i></u>          |                     |                   |                              |      |                  |                              |
| <i>March '25</i>                    | 486.500             | 484.250           | ↑                            | 2.25 | 446.250          | ↑ 40.25                      |
| <i>May '25</i>                      | 496.500             | 493.000           | ↑                            | 3.50 | 455.750          | ↑ 40.75                      |
| <i>July '25</i>                     | 497.500             | 494.250           | ↑                            | 3.25 | 463.500          | ↑ 34.00                      |
| <i>September '25</i>                | 464.250             | 458.750           | ↑                            | 5.50 | 468.500          | ↓ -4.25                      |
| <u><i>Ch Wheat Futures</i></u>      |                     |                   |                              |      |                  |                              |
| <i>March '25</i>                    | 544                 | 538 3/4           | ↑                            | 5.25 | 653 3/4          | ↓ -109.75                    |
| <i>May '25</i>                      | 558 3/4             | 550 3/4           | ↑                            | 8.00 | 660 1/4          | ↓ -101.50                    |
| <i>July '25</i>                     | 570                 | 560 1/2           | ↑                            | 9.50 | 655              | ↓ -85.00                     |
| <i>September '25</i>                | 584                 | 574 1/4           | ↑                            | 9.75 | 662 1/4          | ↓ -78.25                     |

| <i>Slaughter Information</i>         | <i>7 Days Ending</i> | <i>7 Days Ending</i> | <i>Change From Last Week</i> |        | <i>7 Days Ending</i> | <i>Change From Last Year</i> |
|--------------------------------------|----------------------|----------------------|------------------------------|--------|----------------------|------------------------------|
|                                      | <b>25-Jan-25</b>     | <b>18-Jan-25</b>     |                              |        | <b>27-Jan-24</b>     |                              |
| <u><i>Total Cattle Slaughter</i></u> | 599,000              | 603,000              | ↓                            | -4,000 | 614,786              | ↓ -15,786                    |
|                                      | <b>11-Jan-25</b>     | <b>4-Jan-25</b>      |                              |        | <b>13-Jan-24</b>     |                              |
| <i>Total Cow Slaughter</i>           | 103,908              | 86,651               | ↑                            | 17,257 | 124,288              | ↓ -20,380                    |
| <i>Dairy Cow Slaughter</i>           | 55,387               | 44,078               | ↑                            | 11,309 | 55,957               | ↓ -570                       |
| <i>Beef Cow Slaughter</i>            | 48,521               | 42,573               | ↑                            | 5,948  | 68,331               | ↓ -19,810                    |



## TABLE 7 - US BEEF IMPORTS

(Source: USDA/AMS)

### YTD Imported Fresh/Frz Beef Passed for Entry in the US

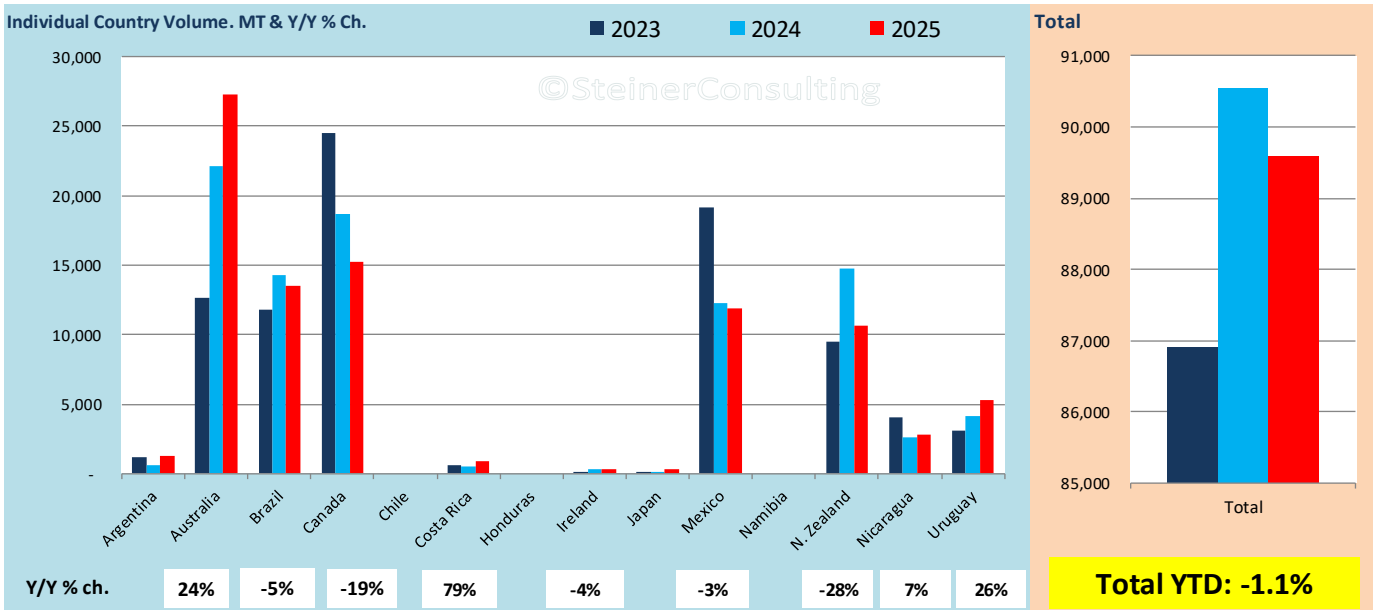
| week 3       | 1/20/2024     | 1/18/2025     |              |              |
|--------------|---------------|---------------|--------------|--------------|
| Argentina    | 630           | 1,331         | 701          | 111.3%       |
| Australia    | 22,101        | 27,301        | 5,200        | 23.5%        |
| Brazil       | 14,249        | 13,557        | (692)        | -4.9%        |
| Canada       | 18,734        | 15,206        | (3,528)      | -18.8%       |
| Chile        | -             | -             | -            |              |
| Costa Rica   | 500           | 896           | 396          | 79.2%        |
| France       | -             | -             | -            |              |
| Honduras     | -             | -             | -            |              |
| Ireland      | 323           | 309           | (14)         | -4.3%        |
| Japan        | 76            | 318           | 242          | 318.4%       |
| Mexico       | 12,290        | 11,871        | (419)        | -3.4%        |
| Namibia      | -             | -             | -            |              |
| Netherlands  | -             | -             | -            |              |
| New Zealand  | 14,812        | 10,688        | (4,124)      | -27.8%       |
| Nicaragua    | 2,640         | 2,813         | 173          | 6.6%         |
| Spain        | -             | -             | -            |              |
| Uruguay      | 4,201         | 5,314         | 1,113        | 26.5%        |
| <b>Total</b> | <b>90,556</b> | <b>89,605</b> | <b>(951)</b> | <b>-1.1%</b> |

Source: AMS - USDA

### US Fresh/Frozen Beef Imports. Metric Ton. Data Source: USDA/Agricultural Marketing Service

Imports as of January 18, 2025

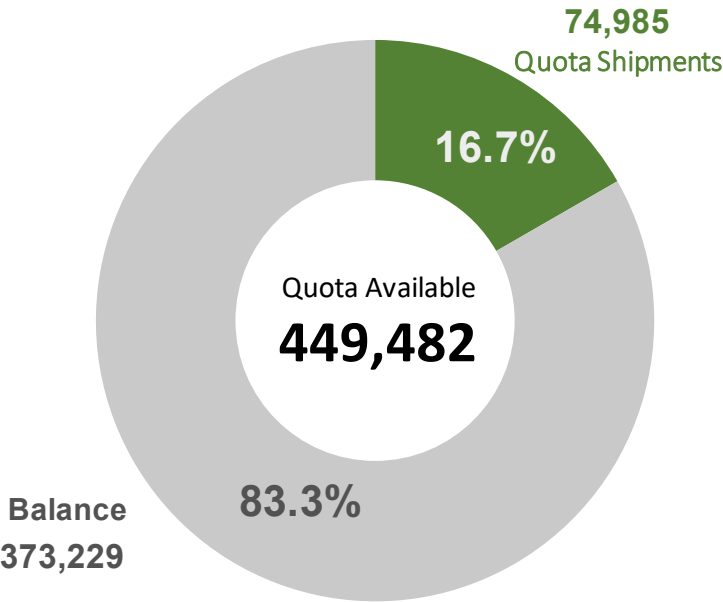
Analysis by Steiner Consulting



Australian Beef Quota Position

23-Jan-25

Metric Ton. Australian Department of Agriculture Statistics



There is no tariff quota as FTA provisions have been phased out. The over quota product is now subject to a safeguard duty. Due to this DAFF continues to report volume shipped against quota.

USA Quota Entries through Week Ending January 19. Metric Ton

Data source: US Customs. Analysis by Steiner Consulting

