



## South America Beef Supply Situation

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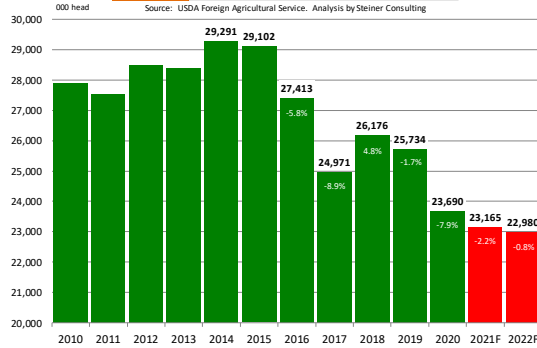
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# Key points

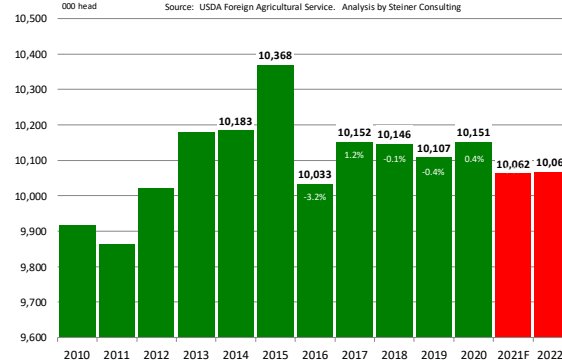
- ❑ Most global beef supply growth is currently coming from South America
- ❑ South America still cannot match North America and Oceania in terms of productivity
- ❑ Exportable supply in Oceania will be down in 2021. North American and EU growth will not keep up with population
- ❑ China has emerged as the top beef market in the world and South America slowly transforming to core supplier

# Cattle Supplies in Key Markets

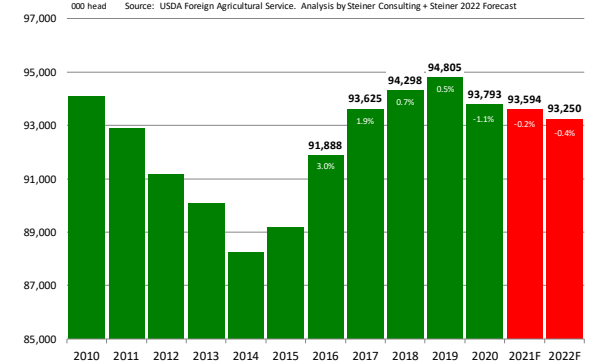
## AUSTRALIA CATTLE INVENTORIES: JANUARY 1 STOCKS



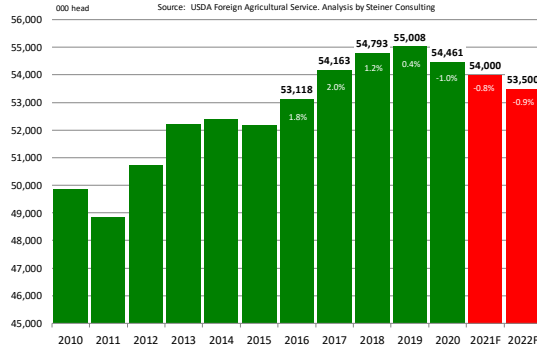
## NEW ZEALAND CATTLE INVENTORIES: JANUARY 1 STOCKS



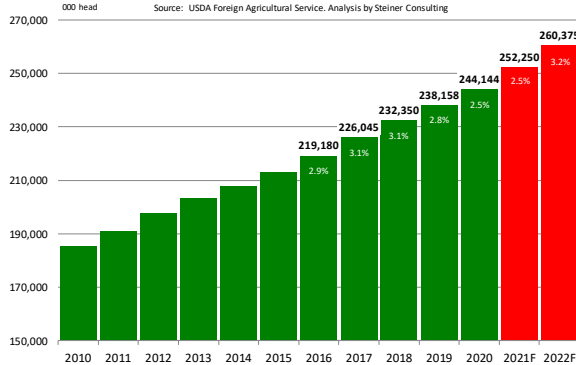
## USA CATTLE INVENTORIES: JANUARY 1 STOCKS



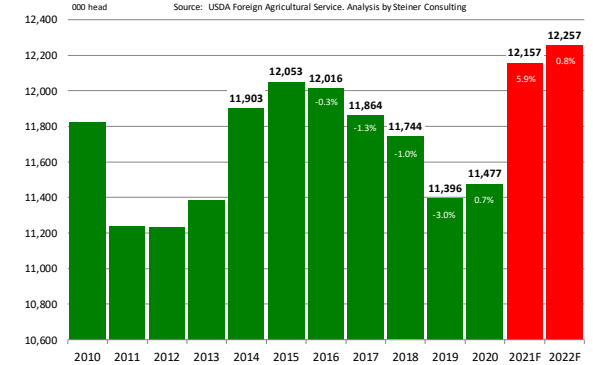
## ARGENTINA CATTLE INVENTORIES: JANUARY 1 STOCKS



## BRAZIL CATTLE INVENTORIES: JANUARY 1 STOCKS



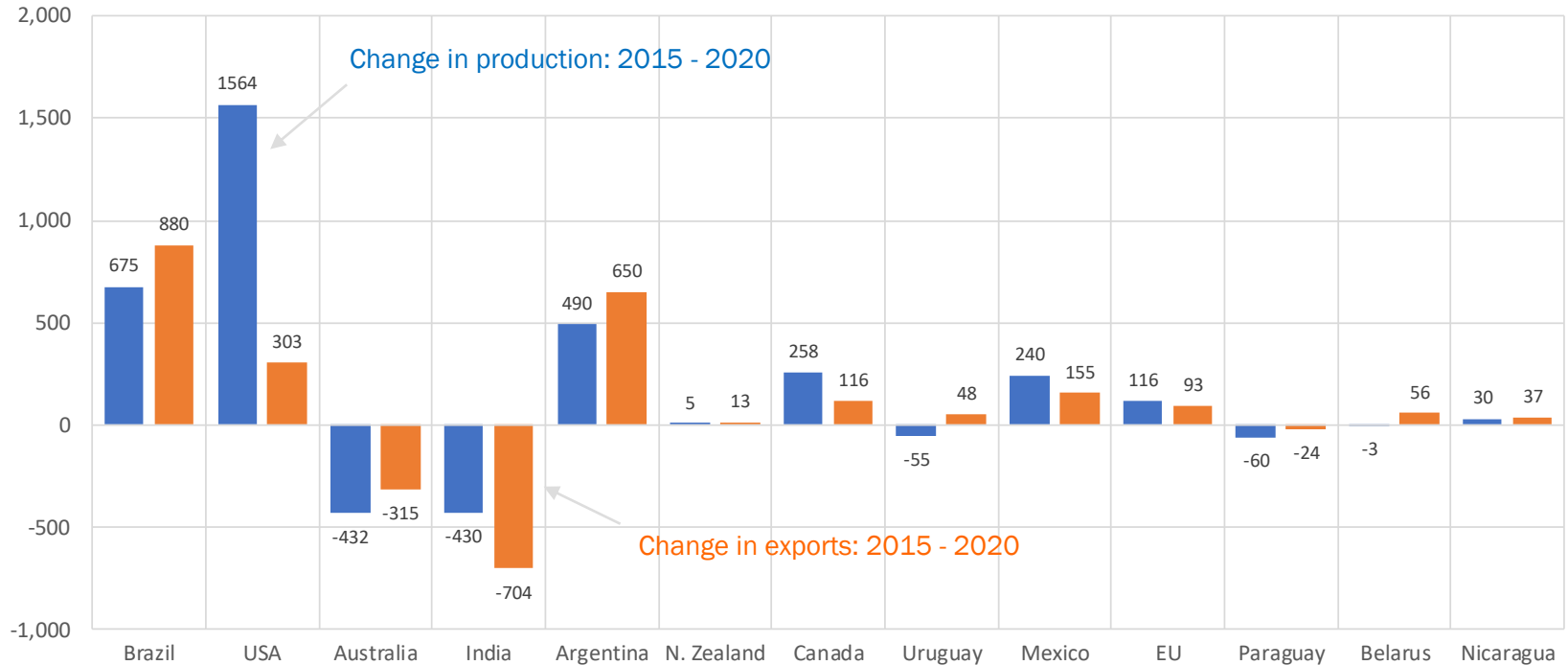
## URUGUAY CATTLE INVENTORIES: JANUARY 1 STOCKS



# Exporter Supply Growth Trends: 2015 - 2020

**Change in Beef Production and Beef Exports: 2015 - 2020. Key Exporting Nations. '000 Metric Ton. Carcass Wt.**

Data source: USDA. Analysis by Steiner Consulting



# Key Metrics for Major Global Beef Exporting Countries

	Cattle Population *	Human Population	Cattle/ Person	Cattle Slaughter	Cattle Sltr./ Cattle Inv.	Beef Production	Prod. KG / Cattle Sltr.	Beef Exports	Beef Exports / Beef Prod.
	000 head	mil. People		000 head		MT, CWE	KG, CWE		
USA	93,793	334	0.28	32,757	0.35	12,381	378	1,331	11%
CANADA	11,240	38	0.30	3,460	0.31	1,305	377	495	38%
MEXICO	16,900	127	0.13	6,394	0.38	2,090	327	355	17%
AUSTRALIA	23,690	26	0.91	7,625	0.32	2,115	277	1,455	69%
N. ZEALAND	10,151	5	1.98	4,535	0.45	695	153	622	89%
BRAZIL	244,144	212	1.15	39,865	0.16	10,100	253	2,539	25%
URUGUAY	11,477	4	3.25	2,000	0.17	510	255	400	78%
ARGENTINA	54,461	46	1.20	14,150	0.26	3,210	227	830	26%
INDIA	303,100	1370	0.22	34,750	0.11	3,650	105	1,050	29%

Source: USDA-FAS

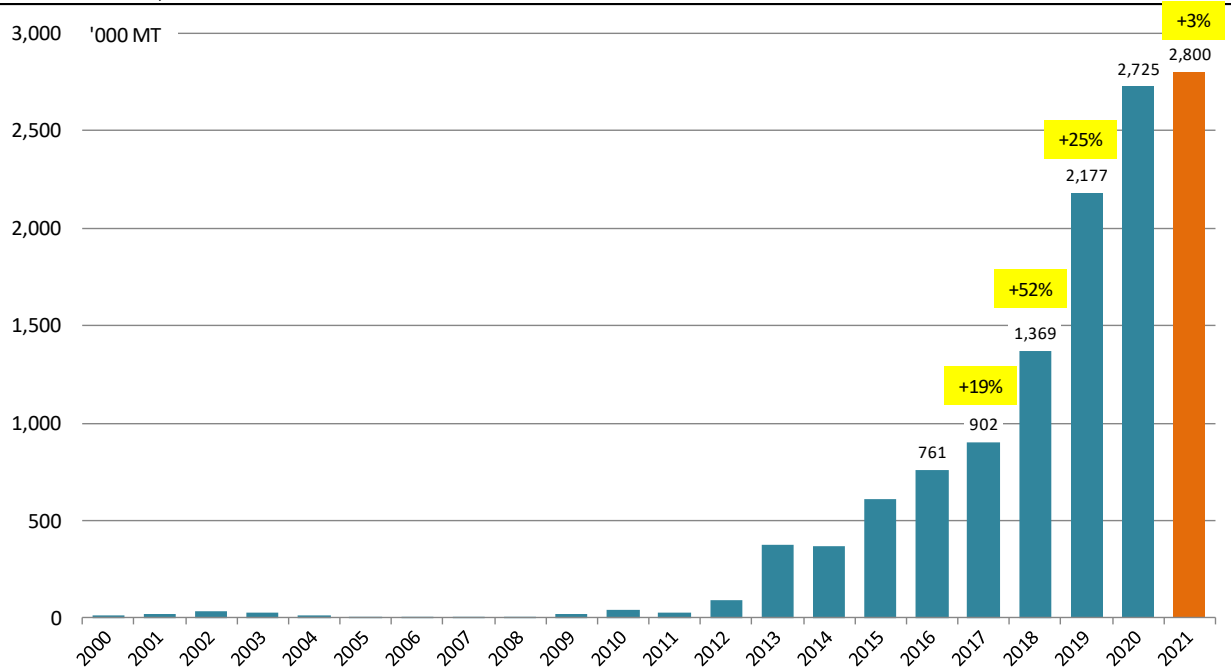
\* Cattle inventory references the total inventory of cattle and calves on January 1, 2020

\*\* Cattle slaughter, beef production and exports reference USDA estimates for 2020

# Rise of China as top Beef Market in the World

## China Annual Beef Imports: 2000 - 2021. '000 MT Carcass Wt. Basis

Source: USDA-FAS, Actual + Estimates



China this year accounts for:

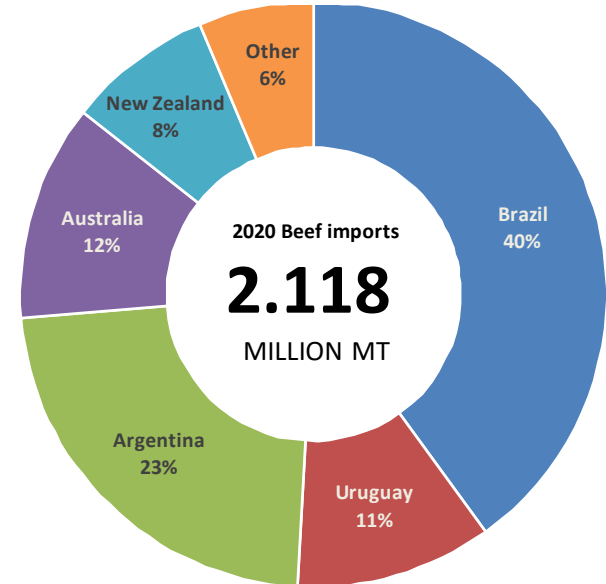
- +75% of Argentina exports
- +55% of Uruguay exports
- +60% of Brazil exports (incl. HK)
- +45% of New Zealand exports
- +20% of Australia exports

# China Beef Imports in 2020

## China Beef Imports in 2019 & 2020. '000 MT. Product Wt. Basis

Source: China Customs

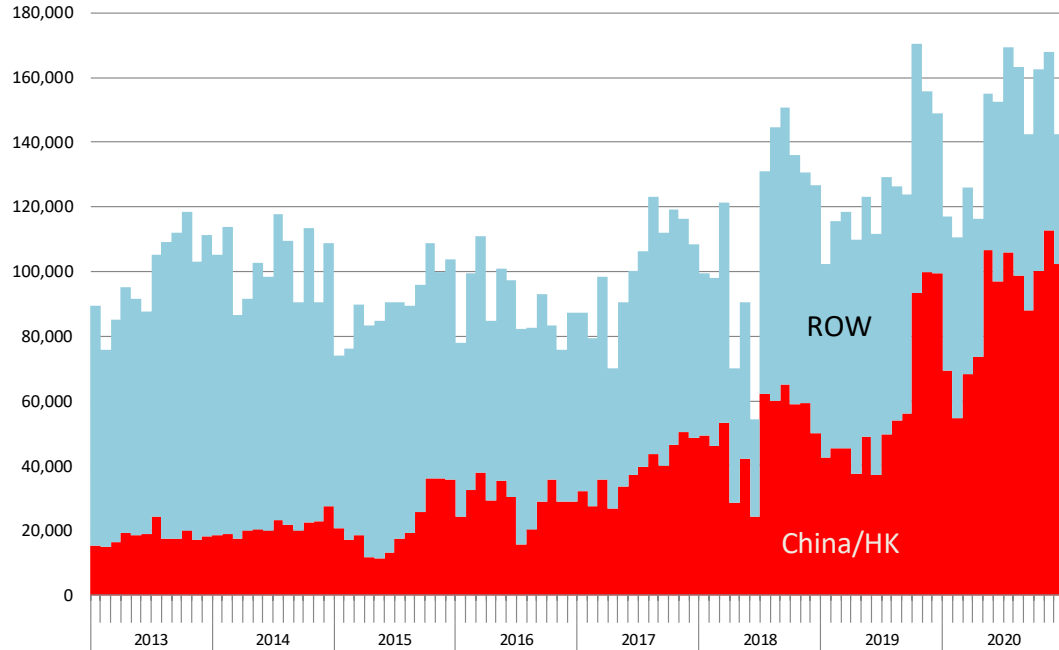
Import Partners	12/1/2019	12/1/2020	Y/Y MT	Y/Y %	Jan -Dec 2019	Jan - Dec 2020	Y/Y MT	Y/Y %
Brazil	63,347	86,959	23,612	37%	399,642	848,473	448,831	112%
Uruguay	24,101	26,690	2,589	11%	285,826	229,678	(56,148)	-20%
Argentina	45,764	51,107	5,343	12%	375,581	482,567	106,986	28%
Australia	24,852	12,597	(12,254)	-49%	307,193	253,745	(53,448)	-17%
New Zealand	17,955	14,375	(3,580)	-20%	211,684	168,935	(42,749)	-20%
Canada	48	1,027	979	2027%	9,997	8,054	(1,943)	-19%
South Africa	1,837	748	(1,089)		5,517	11,114	5,598	101%
Costa Rica	1,596	1,564	(32)	-2%	11,749	15,403	3,653	31%
United States	1,264	6,934	5,670	449%	9,851	28,167	18,315	186%
Other	8,467	6,891	(1,576)	-19%	40,111	71,760	31,649	79%
<b>Total</b>	<b>189,231</b>	<b>208,891</b>	<b>19,660</b>	<b>10%</b>	<b>1,657,152</b>	<b>2,117,895</b>	<b>460,743</b>	<b>28%</b>



# China Share of Brazil Exports

## Brazilian Exports of Fresh/Frozen Beef to China/Hong Kong and Rest of World (ROW)

Data Source: Comex. Analysis by Steiner Consulting



2013: China/HK @18%

2017: China/HK @38%

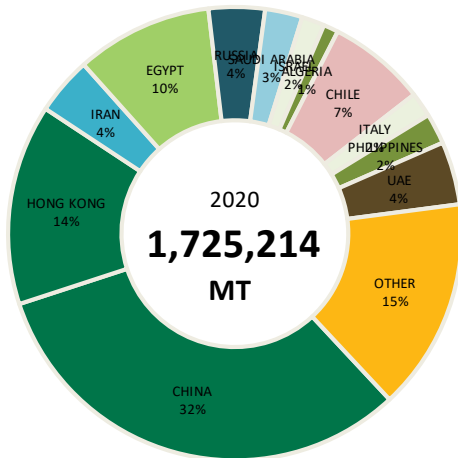
2020: China/HK @62%

Q4 2020: @67%

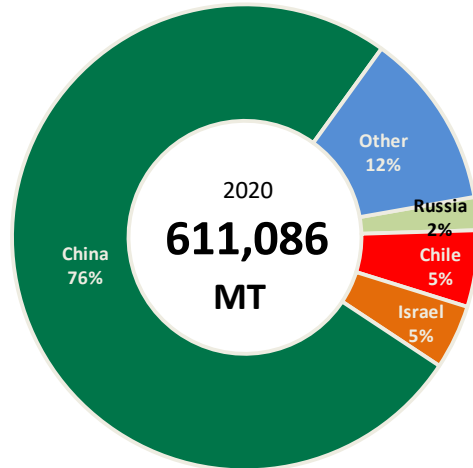


# China Share of Argentine and Uruguay Beef Exports

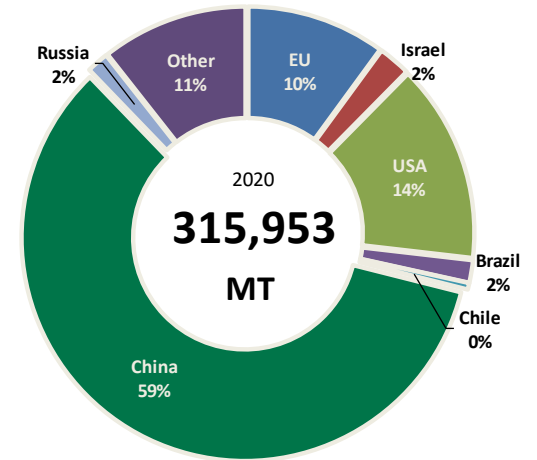
Brazilian Exports of Fresh/Frozen Beef  
Source: IHS. Analysis by Steiner Consulting



Argentine Exports of Fresh/Frozen Beef  
Source: IHS. Analysis by Steiner Consulting



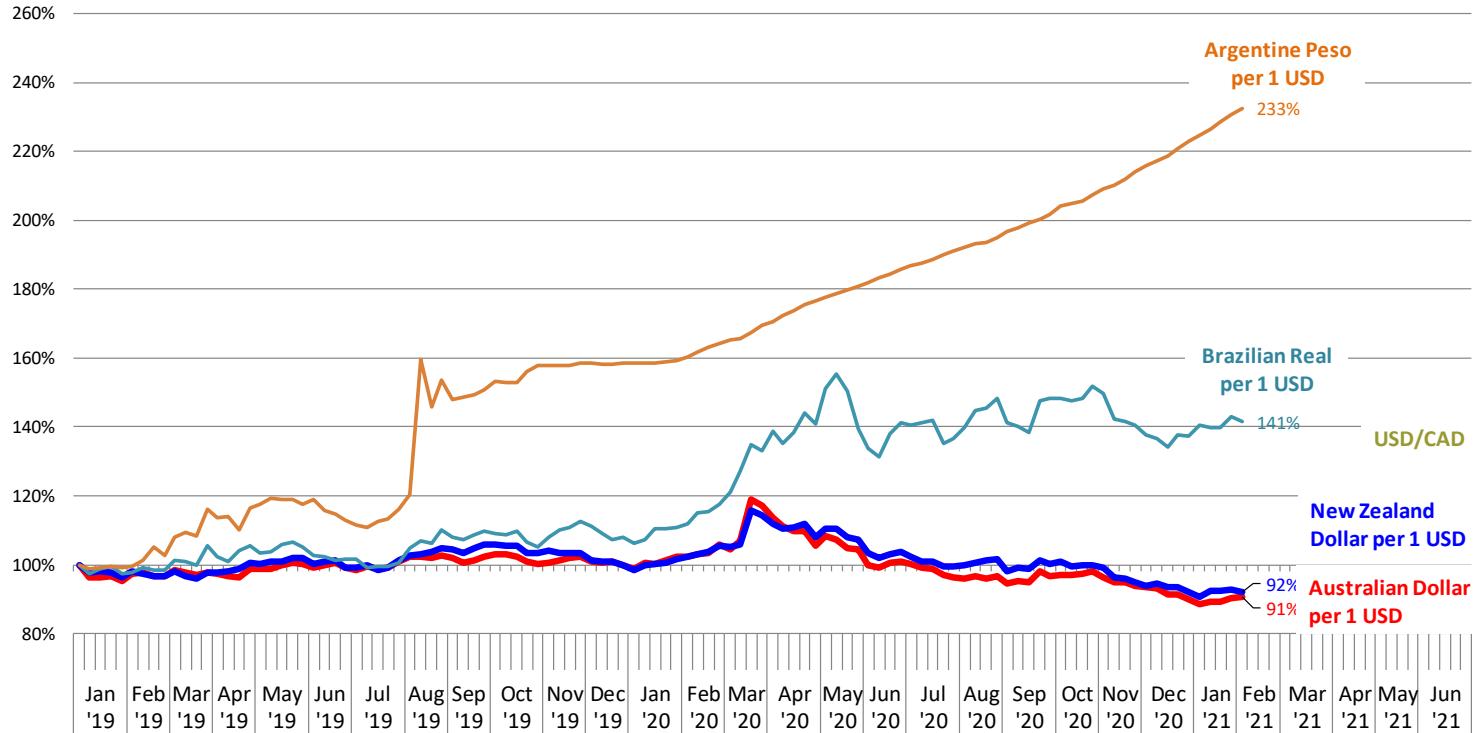
Uruguayan Exports of Fresh/Frozen Beef  
Source: IHS. Analysis by Steiner Consulting



# Exchange Rate Impact

## USD Exchange Rate of Australian Dollar, New Zealand Dollar, Brazilian Real and Argentine Peso

% Change since January 2019



# Supply Availability and Export Potential

	Population (mil. people)	Production (MMT, carcass wt.)	Exports (MMT, carcass wt.)	Dom Cons. (MMT, carcass wt.)	Per Capita (kg/pp)
Australia	26	2.115	1.455	0.660	<b>25.4</b>
NZ	5	0.695	0.622	0.073	<b>14.2</b>
Brazil	212	10.100	2.539	7.561	<b>35.6</b>
Uruguay	4	0.510	0.400	0.110	<b>31.2</b>
Argentina	46	3.210	0.830	2.380	<b>52.2</b>

it would be possible to double exports from Argentina and Brazil and still leave per capita consumption in those countries at a high level. That would not be possible in Australia and New Zealand

Australia	26	2.115	1.455	0.660	<b>25.4</b>
NZ	5	0.695	0.622	0.073	<b>14.2</b>
Brazil	212	10.100	<b>5.078</b>	5.022	<b>23.7</b>
Uruguay	4	0.510	0.400	0.110	<b>31.2</b>
Argentina	46	3.210	<b>1.660</b>	1.550	<b>34.0</b>