

MARKET ADVISOR

by Tim Petry, North Dakota State University Extension Service

First-Half Beef Exports Continue Record Pace

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The USDA Economic Research Service (ERS) publishes monthly and annual U.S. livestock and meat trade data by country. That report, with historic data back to 1989, is available at www.ers.usda.gov/data-products/livestock-and-meat-international-trade-data.

The United States is the world's largest exporter of high-quality beef and beef on a value basis. Brazil does export a higher annual volume, but it is low-quality beef.

Annual 2021 U.S. beef exports were record-high at 3.45 billion pounds (lb.), up 17% from 2020. Exports struggled in 2020 due to the worldwide COVID-19 pandemic. The previous record-high year for exports was 2018 at 3.16 billion lb. Beef export value records were also set in 2021.

Historically, the top U.S. beef export markets were Japan, South Korea, Mexico and Canada. In 2021 China quickly emerged as the third-best market, and that has continued in 2022. Exports to South Korea have been steadily increasing, which has allowed it to move up to the top spot, now just slightly ahead of Japan.

Beef exports in June totaled 315

million lb., up 15.2% from June 2021. Gains in shipments to China (+19.8%), Japan (+18%), South Korea (+15.5%) and Canada (+4.6%) offset a slight decline to Mexico (-3.8%).

2022 beef exports have exceeded last year's record level in each of the first six months. January-through-June exports, at 1.79 billion lb., were up 7.4% over last year's 1.66 billion lb.

China led the growth in first-half beef exports with a 36% increase over last year. South Korea followed with a 4% increase, while Japan and Canada were almost unchanged; but exports to Mexico declined 16.5%.

Higher beef prices especially affected the Mexican market.

The value of U.S. beef exports

Figure 1: U.S. Beef Exports To Major Markets, Carcass Weight, Monthly

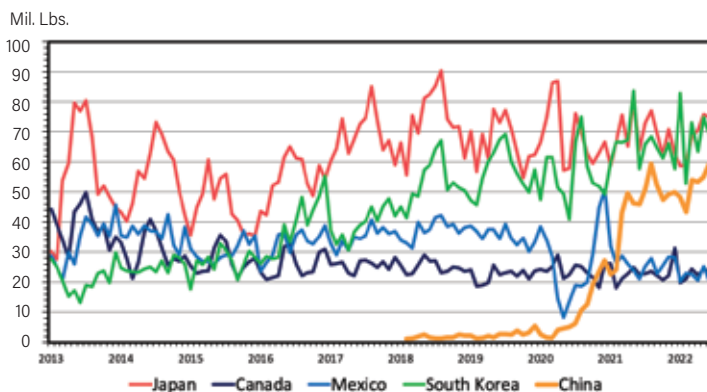
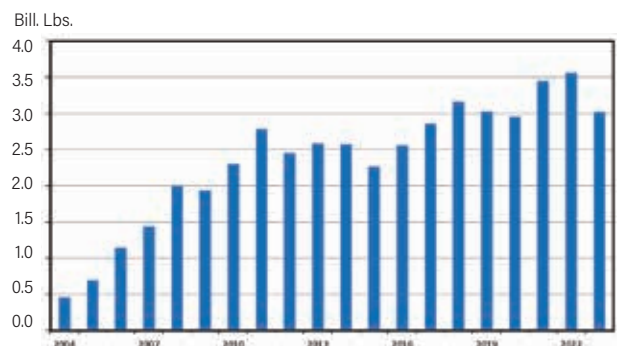


Figure 2: U.S. Beef And Veal Exports, Carcass Weight, Annual



also exceeded last year's record level in each of the first six months. According to the U.S. Meat Export Federation (www.usmef.org), the value of beef exports in the first half was \$5.56 billion — a 34% increase over 2021. The 2022 value is on pace to significantly exceed last year's \$9.5 billion. When beef variety meats are added, the 2021 beef value at \$10.58 exceeded \$10 billion for the first time.

USDA is forecasting 2022 beef exports at a record-high 3.56 billion lb., 3.3% over the previous record in 2021 of 3.45 billion (www.usda.gov/oce/commodity/wasde).

Record 2022 exports are the result of projected record high 2022

beef production at 27.99 billion lb., buoyed by large beef cow and heifer slaughter, and strong export demand, especially from South Korea and China.

USDA is forecasting beef exports to decline in 2023 to 3.02 billion lb., based on cyclically declining beef production and higher cattle and beef prices. 2023 beef production is projected to decrease 6% to 26.3 billion lb.

Annual fed-cattle prices are expected to average \$142.05 per hundredweight (cwt.) in 2022, with an increase to \$153 per cwt. in 2023.

2023 beef exports could do better than USDA's somewhat conservative

current projection. Yet many geopolitical factors are currently causing unprecedented uncertainty and volatility in agricultural and financial markets.

A strong export market will need to continue to support fed-cattle prices. Live cattle futures prices trading about \$151 per cwt. in the December 2022 contract and \$158 per cwt. in the April 2023 contract are dependent on strong beef exports. 

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Saturday, October 8, 2022 • 12 PM (CT) • Interstate Regional Stockyards, Cuba, MO

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AAA 20400096 - BD 03/02/21

Lot 1 Birks Growth Fund 61
Deer Valley Growth Fund x Birks Forever Lady 14



CED	BW	WW	YW	Marb	RE	\$M	\$B	\$C
+5	+3.3	+79	+143	+19	+28	+44	+145	+232

A super stout and correct bull with balanced EPDs
Consignor: Birks Beef Cattle, Gordonville, MO

AAA 20269121 - BD 09/19/21

Lot 23 TWOF Blackbird 1919
PVF Surveillance 4129 x Dameron Blackbird 5222



CED	BW	WW	YW	Marb	RE	\$M	\$B	\$C
-4	+4.3	+55	+91	+0.8	+24	+41	+85	+151

An attractive female backed by power and longevity.
Consignor: Twenty Oaks Farm, Union, MO

For more information, contact Kody Graves • 940.531.1851 • kody@missouriangus.org eastcentralmissouriangus.com

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