

Make Informed Decisions

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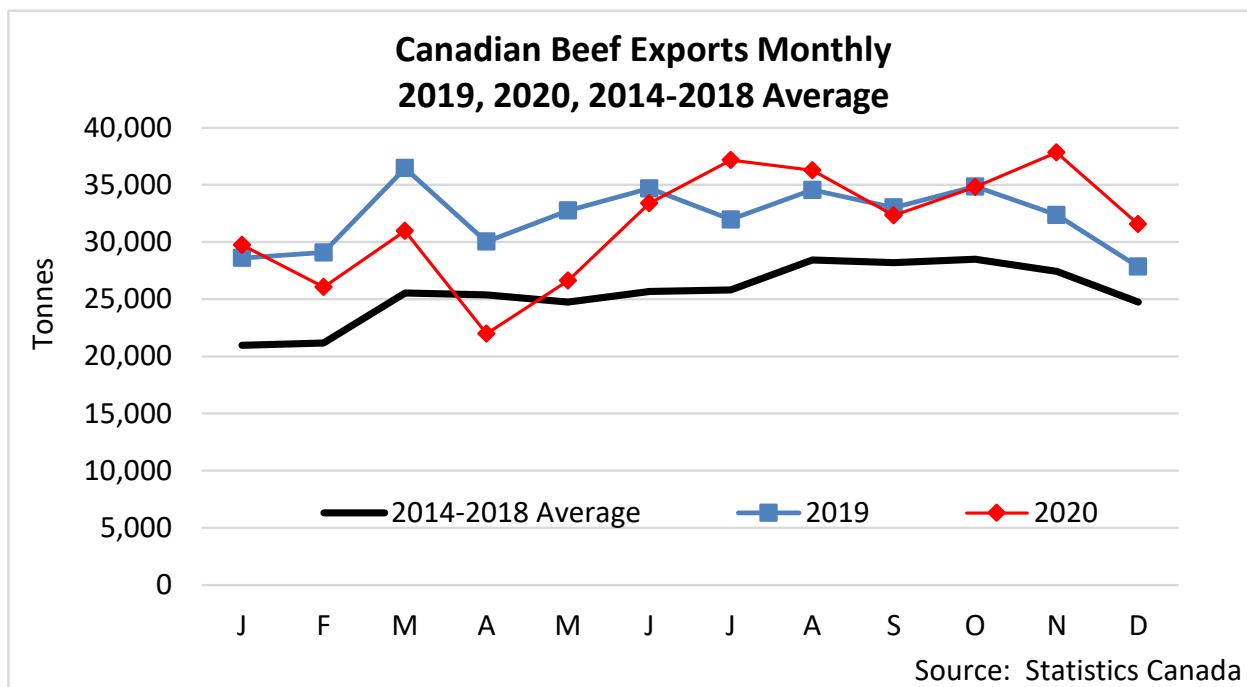
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U.S. is Still the Dominant Beef Export Market

Statistics Canada recently released the December beef trade data. The data showed that Canada's beef exports, not including offals, totaled about 379,000 tonnes for the year 2020. That was down about 2% from 2019. The decline was due in large measure to the reduction in production which occurred due to the virus in the spring of 2020. In fact, in the second half of the year, exports increased by 8% over 2019.



U.S. Still Dominates

The U.S. comprised 75% of Canadian exports in 2020, which is roughly equal to the share in 2019. The share was 79% in 2016 and 77% in 2012. While 283,000 tonnes went to the U.S. last year, Japan, the number two market took just under 40,000 tonnes. The U.S. tonnage declined by 2% last year and Japan declined by 9%. Hong Kong was the third largest market at 14,000 tonnes and it declined by 16%.

China was fifth behind Mexico at 10,000 tonnes and it was up 2%. Tonnage to China was at 6,000 in 2016. As such, while China has made impressive gains on a percentage basis in the last four years, it is still a relatively small destination.

The most interesting export market development is Vietnam. That market has gone from an afterthought in 2016 to the sixth largest destination at 7,000 tonnes. Korea was another strong purchaser in 2020 with an 18% boost. The access under the TPP should be given the credit for Vietnam. The 2014 Canada-Korea Free Trade Agreement has also borne fruit.

The bottom line is that while there have been interesting developments to China and other Pacific Rim countries, the U.S. is still the dominant market. Other markets are important, but they are not game-changers when it comes to cutout values and margins.

A version of this report first appeared in the February 15 2021 edition of the Canadian Cattle Market Report. If you would like a free two-month trial, just email kevin@kevingrier.com