



REPORT FOR AUGUST 2020 YTD TRADE

August Exports Stabilize Slightly Above 2019



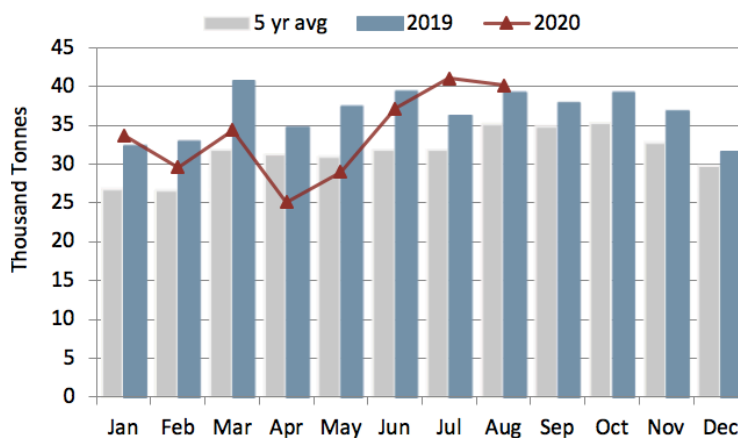
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Canadian beef exports for August 2020 were 40,151 tonnes (\$278 Million), up 2.5% in volume and up 1.1% in value from August 2019. Federally inspected slaughter numbers in August were down 2.7% from last year. Fed cattle slaughter was down 1% from 2019 numbers, while non-fed slaughter was down 14%. Beef exports seem to have peaked in July with a slight decrease in

August but remain slightly above 2019 exports. On the domestic front, foodservice continues to recover with growing foot traffic and other economic activities are a positive influence.

Year to date, January through August 2020 beef exports at 270,152 tonnes valued at \$2.09 billion were down 8% in volume and down 1% in value from the same period in 2019.

Canadian Monthly Beef and Veal Exports



Source: Statistics Canada

Canadian Domestic Exports of Beef and Veal Products

August 2020

Country	Year \$ Change	Canadian \$ (000)		Rank	Year MT Change	Volume (MT)		Rank	Year \$/kg Change	Price (\$/kg)		Rank
		2019	2020			2019	2020			2019	2020	
USA	4.9%	1,522,789	1,597,680	1	-4.5%	211,611	202,089	1	9.9%	\$7.20	\$7.91	9
Japan	-8.9%	231,716	211,112	2	-9.2%	32,450	29,454	2	0.4%	\$7.14	\$7.17	11
Hong Kong	-24.4%	92,529	69,993	3	-4.9%	9,033	8,587	3	-20.4%	\$10.24	\$8.15	7
Mexico	-29.1%	83,373	59,150	4	-26.7%	10,539	7,722	4	-3.2%	\$7.91	\$7.66	10
China	-41.1%	98,412	57,958	5	-50.4%	11,475	5,690	5	18.8%	\$8.58	\$10.19	6
Korea, South	-8.3%	26,889	24,667	6	1.3%	3,559	3,604	6	-9.4%	\$7.55	\$6.84	13
Viet Nam	266.0%	4,286	15,686	7	336.6%	622	2,717	7	-16.2%	\$6.89	\$5.77	14
Taiwan	-18.6%	16,344	13,307	8	-15.6%	1,978	1,669	9	-3.5%	\$8.26	\$7.97	8
United Kingdom	14.6%	9,255	10,610	9	12.2%	772	865	10	2.2%	\$12.00	\$12.26	4
Saudi Arabia	64.9%	4,330	7,139	10	76.2%	319	562	11	-6.4%	\$13.57	\$12.70	3
Netherlands	68.8%	3,001	5,065	11	106.0%	134	276	13	-18.1%	\$22.39	\$18.34	1
Italy	1084.2%	291	3,442	12	957.1%	19	204	14	12.0%	\$15.09	\$16.90	2
Philippines	-54.2%	5,162	2,363	13	-78.1%	1,560	342	12	108.7%	\$3.31	\$6.91	12
United Arab Emirates	-51.3%	3,970	1,932	14	-51.9%	351	169	15	1.3%	\$11.31	\$11.45	5
Angola	-0.2%	1,820	1,816	15	-9.5%	1,874	1,696	8	10.3%	\$0.97	\$1.07	15
Other	-22.7%	14,970	11,576		-27.3%	8,533	6,201		6.4%	\$1.75	\$1.87	
Grand Total	-1.2%	2,117,317	2,091,680		-7.8%	292,955	270,152		7.1%	\$7.23	\$7.74	



Exports by Primal Category to Japan

Traditionally, protein demand in Japan has had a strong favoring towards seafood. However, in the last decade, demand for chicken, pork and beef has grown, especially among the younger demographic. As the younger generation begins to have more influence in the consumption market, it is expected that meat consumption versus seafood will increase as the younger generations lack the knowledge and skills to cook seafood at home. In 2019, beef ranked third in terms of retail sales at US\$5.5 billion. Canada was the fourth largest meat supplier into Japan in 2019, supplying 318,471 tonnes. In 2019, the demand for beef and veal grew as prices became more affordable for some primal cuts partially due to the signing of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership at the end of 2018.

From January through August 2020 beef exports to Japan were down 9% (2,995 tonnes product weight) compared to last year but still up 56% from the five-year average. The signing of the Japan-U.S. trade agreement reduced tariffs on U.S. beef creating strong competition as Japan's imports of U.S. beef increased 3.6% or 9,025 tonnes carcass weight (Jan-Aug 2020).

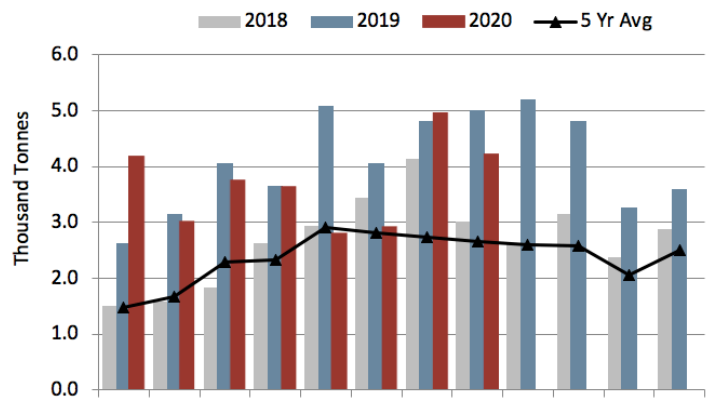
One quarter of all beef exports to Japan are cuts from the flank/plate primal. The demand for these cuts stem from the popularity of Korean BBQ and beef bowl cuisine. Both these dishes are popular all year round, but demand for Korean BBQ peaks in the summer and for beef bowls in the winter. Korean BBQ 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. Compared to Canadian cuisine, if a consumer wanted a "steak" they may order a hamburger steak versus a sirloin steak.

In Japan, quality beef is seen as an expensive luxury. Wagyu beef is the most expensive followed by USA/Canadian beef and then Australian/New Zealand grass finished beef. Due to the high price point of Canadian beef middle cuts, Japanese consumers may only purchase them every few months.

South Korea, being a neighbouring country to Japan, has some similar cultural influences on consumer food demand. One of the main differences is that their most popular imports from Canada come from the Rib primal. This is due to Korean BBQ restaurants and hot pot dishes using short ribs instead of the short plate. The second most popular primal from Canada is the chuck. This is supported by demand for chuck eye roll in Korean BBQ, hot pots as well as bulgogi.



Monthly Beef Exports to Japan



Source: Statistics Canada

Canadian Beef Exports to Japan (Aug 2020) by Primal

- **Flank/plate** cuts at 7,404 tonnes valued at \$47 million were down 21% in volume and down 16.5% in value from the same period in 2019. Flank/Plate cuts represent 25% of total exports to Japan.
- **Chuck** cuts at 6,334 tonnes valued at \$51 million were down 10% in volume and down 2.2% in value from the same period in 2019. Chuck cuts represent 22% of total exports to Japan.
- **Other cuts** at 4,813 tonnes valued at \$37 million were down 8% in volume and down 7% in value from the same period in 2019. Other cuts represent 16% of total exports to Japan.
- **Loin** cuts at 3,780 tonnes valued at \$16 million were up 44% in volume and up 25% in value from the same period in 2019. Loin cuts represent 13% of total exports to Japan.
- **Offal** items at 3,513 tonnes valued at \$40.7 million were down 11% in volume and down 15% in value from the same period in 2019. Offal cuts represent 12% of total exports to Japan.
- **Rib** cuts at 3,459 tonnes valued at \$16.9 million were down 14% in volume and down 16% in value from the same period in 2019. Rib cuts represent 12% of total exports to Japan.
- **Brisket** cuts at 145 tonnes valued at \$758,000 were down 3% in volume and up 1.6% in value from the same period in 2019. Brisket cuts represent 0.5% of total exports to Japan.
- **Hip** cuts at 3 tonnes valued at \$55,000 were down 8% in volume and down 6% in value from the same period in 2019. Hip cuts represent 0.01% of total exports to Japan.

