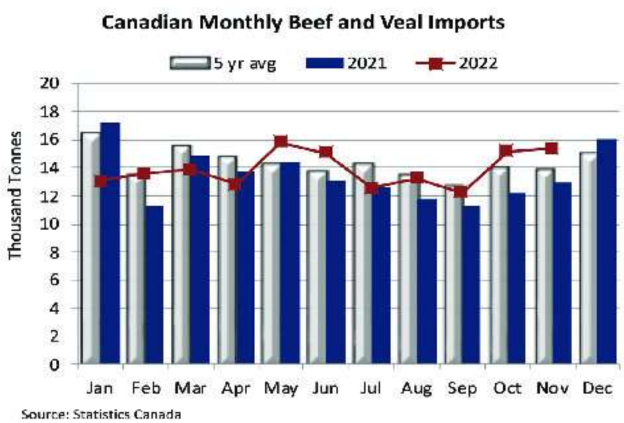
REPORT FOR NOVEMBER 2022 YTD TRADE

November Imports Continue Rising Trend Towards End Of Year

Brooklyn Braun
Intern Market Analyst

Canadian beef imports in November at 15,342 tonnes were up 18% from November 2021 and up 11% from the five-year average. Looking at the seasonal trends of imports, this year followed the patterns of being highest in the first quarter, decreasing into fall and then increasing the last couple months of the year. Slaughter in the month of November was down only half a percent from last November. Canadian beef production was down 3% in the second half of 2022, with exports down 6% and imports up 12.5% pointing towards stronger domestic demand.

November 2022 YTD beef imports into Canada of 152,712 tonne valued at $1.5 billion were up 5% in volume and up 19% in value year over year. Year-to-date import volumes declined from New Zealand (-15%), Uruguay (-29%) and Argentina (-78%), but increased from the U.S. (+4%), EU 27 (+13%), the U.K. (+63%), Australia (+37%), Mexico (+9%) and Brazil (+61%).



International Suppliers

The **U.S.** has seen big growth in beef exports in 2022 - up 14% to $10.9 billion even though the November was down compared to November 2021. This has been driven by larger beef production with producers liquidating cows due to drought. Currently, the U.S. is projecting a sharp decline in 2023 beef production as supplies tighten. Canadian imports from the U.S. are up 4.3% in volume and 17% in value. Their market share, at 59.4% is consistent with this time last year.

As a supplier of lean grass-fed beef, **New Zealand's** market share of Canadian imports has been declining since 2020. Currently, New Zealand is responsible for 7.1% of Canada's imports down from 8.8% this time last year.

The decrease of grass-fed beef from New Zealand, Uruguay and Australia in recent years appears to be picked up by the **EU-27** which has grown their market share. The EU-27's market share is up to 11.8% from 10.41% last November. The EU-27 has thrived in the Canadian market since signing the CETA partnership, contrary to Canada who has many non-tariff trade barriers that restrict trade access for Canadian beef into the EU-27.

Uruguay's market share in Canadian beef imports continues to decrease from what was 9% in June 2021 and is now 3.8%. In July 2022, Uruguay announced it would be moving forward negotiating a bilateral trade agreement with China and it is a priority for them as they are committed to growing exports to Asia.

Mexico's beef exports are growing as the Sukarne processing plant has allowed for increased beef production and exports. Beef exports to Canada is up 8.5% in volume and 18.5% in value as the per unit price has increased +9.2% to $11.04/kg to be the second highest of all Canadian import suppliers after Australia.

Australian beef exports to Canada are up 36.5% in volume and are up 42.2% in value as the unit price increased 4.1% to $11.50/kg. This is the highest import price of all suppliers. The Australian herd has been rebuilding for the last two years and the industry may expect an increase in supply moving through processing facilities later in 2022 and into 2023 as cattle born in the beginning stages of the rebuild reach slaughter weight. Australia's market share in Canadian beef imports is up from 4.9% last November to 6.4% in 2022. But still remains below their long-term average of 11.5%. Looking at Australia's global exports, their volumes have been lower than expected due to weather disruptions, logistics problems, labour shortages and the cattle supply still recovering.

The **United Kingdom** (UK) saw a big jump in volume (+62%) and value (+101.6%) with beef import market share growing to 2.6%,

Source: Statistics Canada and AAFC