

World Beef Report 1479

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- Confinements in Paraguay expected in a range of 350-500 thousand heads
- Uruguay would be the only country that would meet its Hilton Quota in 2021/22



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FOB Mercosur

China still does not clear the uncertainty and prices fall

The recovery of the exchange rate (+1% in the last five days) has been the only favorable sign so far in the Chinese import market, since, in terms of demand, "it remains depressed", a regional broker told WBR. In addition, between June 3 and 6 there will be a series of holidays in China that can make the market even calmer.

According to the sources, there are consultations, but importers pass bids that are between US\$/t 500-700 below the values that exporters want. In the last week Brazilian exporters sold 7-cuts forequarters in a range of US\$7,000-7,200 CFR, a value that is 10% below previous weeks. In Argentina, they trust that the flexibilization of the lockdowns in major cities in June can reactivate the market. A source indicated that he offered the cow in 6 cuts in a range of US\$6,800-6,900 CFR, but counteroffers of US\$6,500 arrive. Meanwhile, from Chile they report sales of bone-in quarters at US\$ 5,500 CFR per ton.

As for sheep, regular importers state that there is currently no market for the product of South American origin due to price issues.

A trader indicated that Shanghai "is still confined and that they have not yet opened, as can be read in some media." Meanwhile, the port of Tianjin "is still quite complicated, cold warehouses closed and merchandise being tested for covid every day."

Uruguayan broker Juan Lema told Carve radio on Tuesday that, in recent weeks, after the covid cases in Shanghai and Beijing, beef values fell between 8% and 12%, depending on the cut. He indicated three main bearish factors: the exchange rate (beyond the improvement of the last few days), the increase in supply from Brazil and the lockdowns in the main cities.

The operator indicated that a "gradual" reopening of the lockdown is expected with more movements in restaurants and shopping malls. In any case, he warned that there is merchandise in cold storage that operators need to move, a factor that could lead to a new downward trend in prices during the coming weeks. The agent remembered that seasonally, Chinese demand picks up momentum in the last quarter of the year (September-December), when the contracts for the next Chinese New Year season are closed.

The European chilled market is looking for its floor with a great disparity in values

While there is some consensus that price levels for the rump & loin Hilton have bottomed out in Europe, its recovery and where the benchmarks currently stand is unclear. In the case of Argentina, the sources handled a wide trade gap from US\$13,000, US\$13,500 and up to US\$14,000 FOB for the Hilton rump & loin during the last week. A European importer considered that the purchase price today is US\$13,500 FOB, but another believed that US\$14,000 must be paid to close deals.

Business is now focused on the first deals of the 2022/23 season, so the final sales for 2021/22, which were made at lower prices, were left behind.

Progress in negotiations for kosher operations: more teams arrive in the region

After several weeks of tug-of-war between the region's industries and Israel's importers, agreements began to be closed in the last few hours to resume a greater activity. A source informed WBR that next week between three and four teams will leave for

Brazil with deals per forequarters in a range of US\$7,200-7,500 FOB, for Uruguay two teams with values between US\$8,500-8,700 and one "special team" for Paraguay with a price of US\$ 7,550 FOB. Precisely, in Paraguay is where the situation has not yet managed to unravel completely, with some plants that still do not close business. There are importers who consider that, with a normal slaughter, the current cattle price and without the Russian market, the values for the Paraguayan forequarter should be closer to US\$7,000 FOB.

Winter begins to play its role in Chile

The Chilean import market is "slow" and with "very few buyers," an intermediary told WBR. The values for the 19/20 cuts of Paraguay remain around US\$ 6,000-6,100 CIF Santiago. In addition, in the last week the logistics began to be complicated by the closure of border crossings due to snowfall in the mountains. According to the source, pressure from Chile is still maintained so that the new loads are agreed one step lower for the 19/20 cuts to a range of US\$5,800/5,900 and 5,200-5,300 for the 9 cuts.

Egypt remains complicated for Brazilians authorized to China

Egyptian importers are not able to come close to the price expectations of the Brazilian exporting plants that are authorized to export to China, which are the largest and make the most volume. A Brazilian packer informed WBR that importers bid at US\$4,400 CFR per forequarter, but for the equation to close, a floor of US\$4,700 is required. The same does not happen in the case of the plants that operated with China through the grey channel, which continues to be complicated.

On the other hand, the informant indicated that the demand for beef in the Brazilian domestic market is weak and prices are falling.

Expectation is that the US market will improve during the second semester

The US market has not shown signs of recovery for several weeks. A strong entry of Brazilian beef at the beginning of the year (which quickly led it to exhaust the preferential tariff quota it uses in that market), the drop in the price of domestic production of lean meat and the rise in food prices (including meat), has depressed import values and demand.

In any case, the broker Juan Lema considers that as stocks fall and with Brazil without a quota to export with tariff preference, there is some expectation that this destination will show another face for the second half of the year. Today the values that the US pays for a block forequarter do not exceed the price of that merchandise in China, even within the quota.

MARKETS

The Mercosur Steer fell to its lowest since the beginning of February

The WBR Mercosur Steer Index lost 5 cents in the week to US\$4.23 per kilo carcass weight, reaching its lowest level in 16 weeks, since the beginning of February.

There were declines in Argentina, Uruguay and Paraguay, while the average value in the main exporting states of Brazil remained stable in dollars. The Brazilian reference remained at US\$3.90 per kilo carcass weight because the 1.7% appreciation of the exchange rate compensated a new drop in prices in reais.

In Argentina, export steers quoted lower, leaving behind several weeks of stability in Argentine pesos. In dollars, the reference was at 4.87, with a weekly drop of 14 cents.

In Uruguay, the downward pressure continues with the special steer—in a context of very few operations—around US\$ 5.25 per kilo.

In Paraguay, prices also fell for the male for slaughter, losing 10 cents in the week to US\$ 3.50 per kilo.

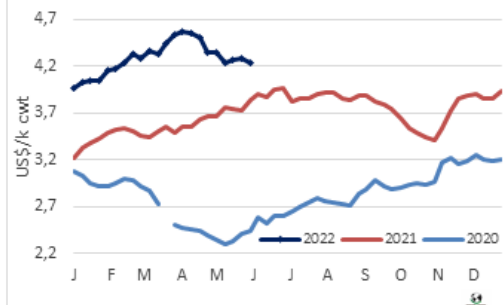
World cattle prices

Estimated carcass price (US\$/k)

Steers		Last	Week	Month	Diff % month
Mercosur	WBR Index	4,23	4,28	4,35	-2,8%
Uruguay	Best, + 460 k	5,25	5,30	5,60	-6,2%
Argentina	Export + 480 k	4,87	5,01	5,15	-5,4%
Argentina	Domestic 430-460 k	4,38	4,30	4,82	-9,1%
Brazil	Avg export states	3,90	3,90	3,90	-0,1%
Brazil	Sao Paulo	4,19	4,14	4,17	0,4%
Brazil	RS - Porto Alegre	4,24	4,23	4,12	2,9%
Brazil	MS - Campo Grande	3,89	3,91	3,93	-1,1%
Brazil	MT - Cuiabá	3,89	3,88	3,84	1,3%
Brazil	GO - Goiânia	3,77	3,82	3,84	-1,6%
Paraguay	Steers	3,50	3,60	3,70	-5,4%
Chile	Steers	4,17	4,11	4,30	-3,2%
Colombia	Steers (Medellín)	4,68	4,54	4,42	6,1%
USA	Steers	4,95	4,98	5,12	-3,4%
Australia	Trade steer (260-300 cwt)	7,35	7,35	7,24	1,5%
Australia	Heavy steer (300-400 cwt)	5,96	5,69	5,99	-0,5%
N. Zealand	Bull (270-295 cwt)	4,25	4,18	4,15	2,4%
E. Union	Steers	5,44	5,36	5,06	7,5%
Cows		Last	Week	Month	Diff % month
Uruguay	Best, + 440 k	5,00	5,10	5,35	-6,5%
Uruguay	Manufacturing	4,15	4,24	4,35	-4,6%
Argentina	Special to good	3,42	3,42	3,74	-8,5%
Argentina	Manufacturing	2,94	2,85	3,29	-10,6%
Brazil	Sao Paulo	3,77	3,71	3,69	2,1%
Brazil	RS - Porto Alegre	4,33	4,26	4,13	4,8%
Brazil	MS - Campo Grande	3,60	3,71	3,67	-1,7%
Paraguay	Fat cow	3,10	3,20	3,30	-6,1%
Chile	Fat cow	3,06	2,88	2,88	6,4%
Colombia	Cow (Medellín)	4,26	4,00	4,14	2,7%
USA	Cow 90 lean (500-600 lb)	3,27	3,49	3,47	-5,9%
Australia	US Cow	5,21	4,90	4,75	9,8%
N. Zealand	Cow (195-220 k cwt)	2,68	2,63	2,66	0,6%
E. Union	Cow	4,62	4,62	4,44	4,2%

Sources: Uruguayan operators, Mercado de Liniers SA, Scot Consultoria, USDA, MLA, EC, AgriHQ

WBR Mercosur steer index



Company shares

	31-May	Weekly % diff.	End 2021
JBS	35,6	0,4%	-6,2%
Marfrig	15,63	2,2%	-29,2%
Minerva	14,22	10,1%	34,2%
Brasil Foods	15,65	9,1%	-30,5%
Tyson Foods	89,61	1,0%	2,8%
NH Foods	3920	-0,5%	-6,1%
McDonalds	252,21	3,1%	-5,9%
Arcos Dorados	7,82	5,2%	34,1%
Fonterra	2,52	10,0%	-13,7%
ADM	90,82	3,5%	34,4%
Nestle	117	2,0%	-8,2%
Bayer	66,58	5,2%	41,7%
Nutrien (Ex Potash)	97,19	-2,1%	29,2%
John Deere	357,78	6,2%	4,3%
UPM	33,13	1,2%	-1,4%
Cofco Meat	3,21	-0,6%	8,1%
Beyond Meat	26,45	15,3%	-59,4%
Sundiro Holding	1,99	1,0%	-27,4%

Mercosur Cattle View (US\$/kg)

URUGUAY (US\$/k)				BRAZIL (US\$/k live weight)			
Steers	Last	Week	Month	Steers	Last	Week	Month
Best steers (OTH)	5,25	5,30	5,60	Steer Sao Paulo	2,18	2,16	2,17
Good steers (OTH)	5,20	5,28	5,50	Steer RG do Sul	2,29	2,28	2,23
Light weight (OTH)	5,20	5,28	5,50	Steer Mato Gr. Do Sul	2,02	2,03	2,04
Nat grass +480k (OTH)	5,15	5,20	5,45	Steer Minas Gerais	1,99	2,01	2,03
Holstein (OTH)	5,10	5,15	5,35	Cow Sao Paulo	1,83	1,80	1,79
Cows				Cow RG do Sul	2,16	2,13	2,07
Prime (OTH)	5,00	5,10	5,35	Cow Mato Gr. Do Sul	1,75	1,80	1,78
Prime (LW)	2,47	2,51	2,60	Cow Minas Gerais	1,68	1,68	1,70
Fat (LW)	4,90	5,00	5,20	Boi Gordo Cepea-Esalq	2,35	2,20	2,30
Heifers +310 (OTH)	5,10	5,15	5,35	Future steer prices			
Heifers +310 (LW)	2,60	2,63	2,75	May-22	2,31	2,22	2,25
Replacement cattle				Jun-22	2,26	2,21	2,25
Calves (120-180 k)	3,03	3,10	3,16	Jul-22	2,32	2,25	2,30
Steers (320-360 k)	2,68	2,70	2,80	Oct-22	2,40	2,29	2,33
Cows	2,15	2,20	2,20	Restocker quotes			
ARGENTINA (US\$/k, live weight)				Calves 180 k (Sao Paulo)	2,81	2,76	2,74
EU export steers	2,50	2,57	2,64	Calves 180 k (M. Grosso)	2,85	2,82	2,80
Steers - Avg Liniers	2,44	2,32	2,52	Calves 180 k (Goiás)	2,66	2,66	2,68
Special yearlings up to 390 k	2,85	2,77	3,06	Wholesaler			
Special yearlings >390 k	2,57	2,53	2,65	Hind qtr Sao Paulo (cents/k)	4,58	4,83	4,82
Regular yearling	2,38	2,38	2,57	Fore qtr Sao Paulo (cents/k)	3,39	3,31	3,41
Young special steer >430 k	2,54	2,49	2,80	PARAGUAY (US\$/k carcass weight)			
Regular steer up to 430 k	2,29	2,31	2,38	Hilton steer	3,55	3,65	3,80
Cows				Fat steer	3,50	3,60	3,70
Prime	1,75	1,74	1,91	Fat cows	3,10	3,20	3,30
				Heifer 4 th	3,50	3,55	3,65

Uruguay with payment terms; Argentina, Liniers and own sources; Brazil with payment terms; Paraguay own sources

Main world beef exports						
				In the year to		
Tons swt	Feb-22	Mar-22	Apr-22	Jan-abr-21	Jan-abr-22	Dif %
Global	409.101	457.941	422.938	1.527.032	1.662.109	8,8%
Mercosur	265.927	282.244	266.233	897.100	1.047.082	17%
Argentina	47.813	51.581	46.740	198.611	184.631	-7%
Brazil	159.104	169.406	157.470	468.750	626.524	34%
Paraguay	24.142	22.676	27.847	111.385	95.738	-14%
Uruguay	34.868	38.581	34.175	118.355	140.189	18%
Australia	59.513	74.348	61.705	272.362	238.928	-12%
USA	83.661	101.349	95.000	357.570	376.099	5%
US\$/t swt						
Global	7.007	7.275	7.437	5.692	7.177	26,1%
Mercosur	5.723	5.963	6.293	4.568	5.866	28%
Argentina	5.689	5.756	6.296	4.161	5.841	40%
Brazil	5.591	5.900	6.209	4.614	5.737	24%
Paraguay	5.168	5.433	5.437	4.451	5.320	20%
Uruguay	6.755	6.826	7.370	5.183	6.845	32%
Australia	9.129	9.200	9.200	7.217	9.150	27%
USA	9.582	9.520	9.500	7.348	9.576	30%

Red numbers are projections; Global is the sum of Mercosur, Australia and USA

Cattle slaughter in Mercosur countries (thousand)						
				Year to date		
	Feb-22	Mar-22	Apr-22	21 Jan-abr	22 Jan-abr	Dif %
Brazil*	1.620	1.750	1.830	6.467	7.010	8,4%
Argentina	1.019	1.144	1.041	4.277	4.178	-2,3%
Uruguay	213	252	212	782	876	12,1%
Paraguay	147	146	202	760	659	-13,3%
Total	2.999	3.292	3.285	12.285	12.723	3,6%
* Red numbers provisional data; Federally inspected plants						
Source: Senacsa of Paraguay, MinAgri of Argentina, INAC of Uruguay, MAPA of Brasil						
Percentage of total						
Brazil	54%	53%	56%	53%	55%	
Argentina	34%	35%	32%	35%	33%	
Uruguay	7%	8%	6%	6%	7%	
Paraguay	5%	4%	6%	6%	5%	



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Brazil

The fourth Brazilian packer also has record numbers

Based on export growth, Frigol, Brazil's fourth-largest beef industry behind JBS, Marfrig and Minerva, ended the first quarter with record results. According to the recently completed balance sheet, the company's net profit reached R\$72 million from January to March, compared to a loss of R\$29 million in the same period of 2021. Profit before interest, taxes, depreciation and amortization (Ebitda) reached R\$ 93 million, compared to a negative result of R\$ 10 million in the same period last year —the Ebitda margin, which was in the red at the beginning of 2021 (1.4%), had a positive result of 9.4%. Net income increased 51% to R\$ 993 million. "We had an unusual first quarter. After the nearly 100-day embargo on Brazilian beef late last year, China had pent-up demand and it came back very strong. And our expectation is that sales to that country will remain firm," Eduardo Miron, general director of Frigol, told Valor.

Molina increases participation in Marfrig

Marfrig Global Foods announced that it received letter from the controller shareholders: MMS Participações Ltda., Mr. Marcos Antonio Molina dos Santos and Ms. Marcia Aparecida Pascoal Marçal dos Santos, which jointly now directly hold 345.941.740 common shares, which represent an interest of 50,04% of the outstanding capital stock of the Company. The controlling shareholders did not enter into any agreement or contract regulating the exercise of voting rights or the purchase and sale of securities issued by the Company.

MARKETS

Fat boi price down 5% in May

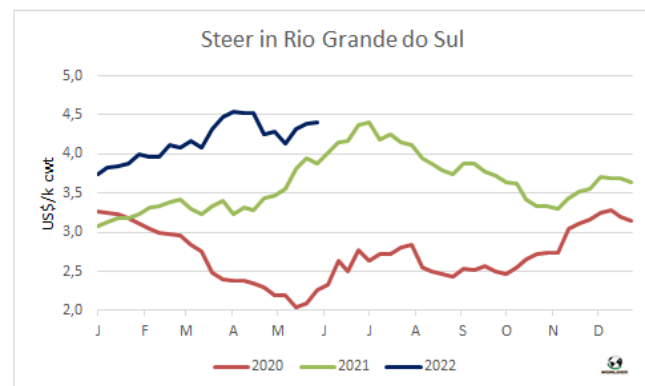
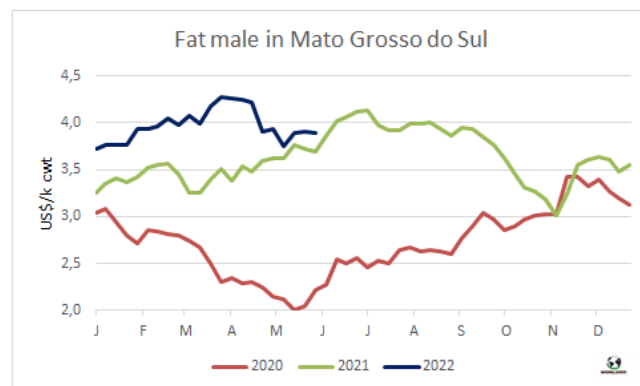
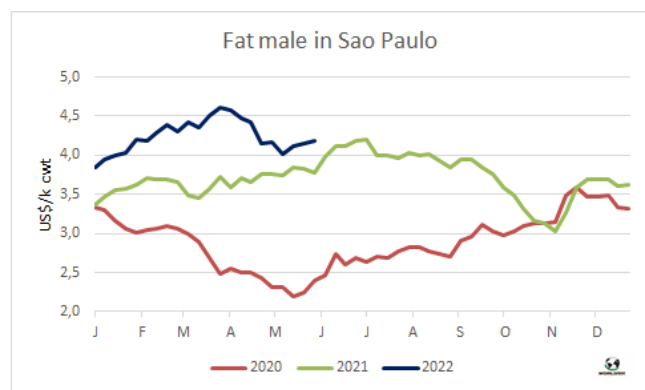
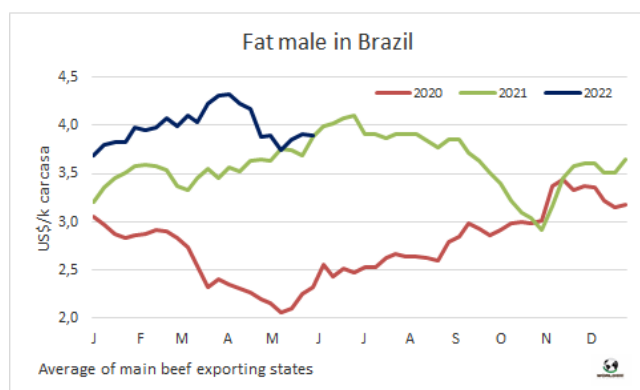
The price of cattle for slaughter fell again, accumulating 11 consecutive weeks of decline and a correction of 5% during May. But, once again, the appreciation of the real compensated the drop in prices in this currency.

In Sao Paulo, according to the Scot consulting firm, the fat boi lost R\$/@ 6 in the week to R\$/@ 276, tax-free and with 30 days for payment.

The instability caused by Chinese embargoes on slaughter plants, although temporary, have contributed to the strong downward pressure on finished cattle prices, Agrifatto said, adding that the drought reduces capacity of holding animals in the field, increases the offer and allows to extend bookings, which oscillate in 11 working days in the national average.

Agrifatto says it expects prices pushed down for the finished animal and, consequently, also for replacement.

In the wholesale market, prices were also pushed down during the week, especially in the case of forequarters, although with the start of the new month there could be an improvement in demand.





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Uruguay

Supply expectations of finished steers for 2022/23

In the 2021/22 year (Jul-Jun), some 1.35 million steers will be slaughtered, 240 thousand more than in the previous one, with a very high proportion of new animals, mainly of 2-4 teeth.

According to information from INAC, in the first 10 months of the year, 659 thousand steers with 2-4 teeth entered packers. In the 12 months to June they will be around 787 thousand animals of this category. The bulk of these —although the boundaries between the categories are blurred— are the animals that as of June 30, 2021 were 1-2-year-old steers, that were 1.166 million. It is the famous generation of more than 3 million calves from the previous year.

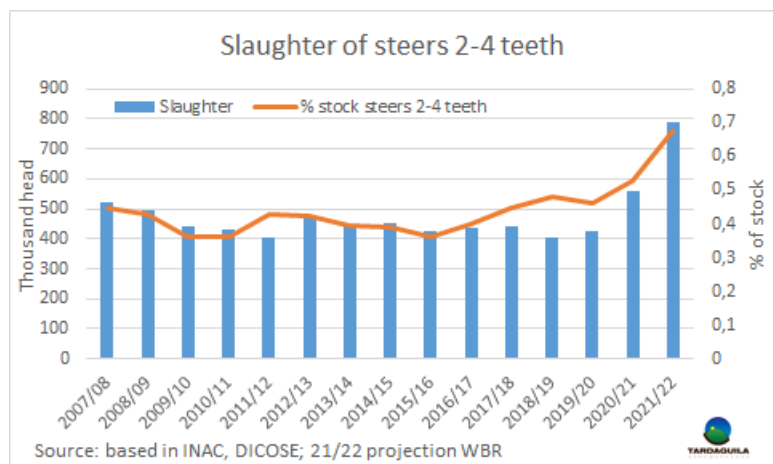
Therefore, the slaughter of 2-4-teeth steers in 2021/22 represents 68% of the 1-2-year-old steers counted at the beginning of the year. Clearly, not all the animals with 2-4 teeth processed in this exercise were animals of that category —at the beginning, they were mostly from the previous generation— but in any case, the comparison with respect to the previous exercises is valid, when that proportion was around 40%.

The very attractive prices of cattle for slaughter made it possible to sell a very high proportion in the case of the older steers and to encourage the acceleration of the fattening of young categories, mainly from feedlots, but also from good pastures.

Given that the expectations continue to be of favorable prices for animals for slaughter, the incentive from the price side will continue to be there, encouraging producers to reach slaughter weight earlier.

But the bulk of the famous 2020 generation of 3 million calves will already have been processed by 2022/23. The bulk of the slaughter activity will fall on the next generation, which was 2.9 million calves last year, about 115 thousand less than the previous one. The export of live calves is low in 2021/22 (less than 80,000 heads), but it had also been low in the previous year, so at this point there are no consistent differences from one year to the next.

The expectation, therefore, is that the supply of animals with 2-4 teeth in 2022/23, already close to beginning, will be lower, perhaps by 100,000 heads.



Frigorífico Rosario would be audited by China in the first half of June

The Ministry of Livestock sent the report on the Rosario planta (Rondatel SA) to the Chinese health authorities on Monday and the expectation is that this country will carry out the virtual audit of the plant during the first half of June, a source from the plant

told WBR

From China they had anticipated that, once the report was received, the date of the audit would be set.

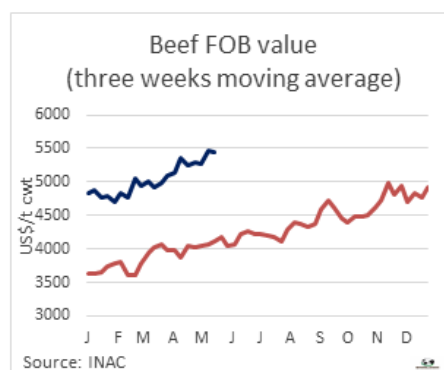
The date will be announced a few days before, so that Rosario can count with cattle to be with activity. It will then await the results of the audit for the rehabilitation of shipments to that destination.

Rosario has been closed since the end of September of last year, when it lost authorization of exports to the Chinese market.

Uruguay - Weekly beef and offal exports										
	Week 19		Week 20		Week 21		Week 22		Year to date	
	Tons	US\$/t	Tons	US\$/t	Tons	US\$/t	Tons	US\$/t	Tons	US\$/t
Chilled	1353	12713	1350	11922	1407	12338	720	11738	18503	11167
Netherlands	821	13176	767	12299	879	12826	253	12418	6.835	12.175
Chile	115	8496	114	8342	92	8520	162	9350	2.685	8.205
Japan	107	9833	41	11757	58	9897	21	11199	2.062	9.193
USA	75	14660	24	10379	33	13053	63	11157	1.163	12.107
Germany	36	15405	41	15856	26	15381	18	13655	979	13.884
Frozen	7759	6741	8936	6663	6006	6636	7652	6829	154285	6506
China	5993	6194	6856	6218	4625	6215	5833	6231	121.515	6.120
USA	802	7798	1064	7946	679	7437	1055	8346	15.003	7.560
Israel	0	x	45	1031	61	761	41	1132	3.705	7.269
Canada	127	7579	177	6583	77	5331	155	7159	3.030	6.312
Brazil	45	9437	124	9943	66	11616	41	12166	1.952	10.142
Offal	2195	2375	3082	2020	1486	1850	2546	2056	46269	2112
China	1837	2480	2800	2046	1237	1862	2162	2108	40.646	2.134
Russia	49	3020	36	1857	0	x	0	x	1.490	2.264
Egypt	105	1714	73	1885	52	1872	59	1807	1.102	1.772

Weekly export volume and value					
	Week to			Year to	Diff year
	30-Apr	7-May	14-May	21-May	before
Beef					
Tons cwt	10021	8583	8830	4775	211736
US\$/t	5466	5305	5634	5337	5059
Sheep					
Tons cwt	386	80	274	131	7796
US\$/t	5396	4651	6046	5104	5170

Source: INAC



MARKETS

Few operations with a wide dispersion in prices and bookings

The industry maintains intense downward pressure on purchase prices in a context of very few closed deals, mainly in the case of special and heavy animals, whose supply is practically nil.

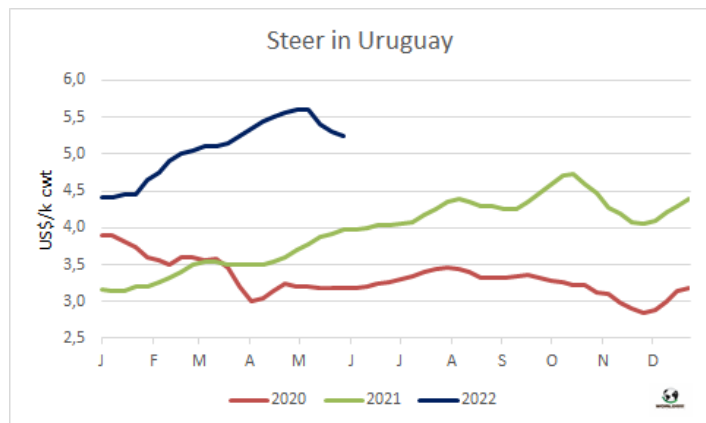
There is a large disparity between prices and plant bookings managed by the different industries. Those who will be working with kosher teams in the coming weeks need to get heavy animals that are far from abundant at the moment. The offer from oat fields is very incipient, since in general these pastures are delayed.

Part of the demand handles purchase prices of US\$5.15 per kilo carcass weight for steers and US\$4.85 for fat cows, but occasional deals are made 15-20 cents above these references if outstanding lots are offered. "The market is in formation, so there is a lot of disparity," summed up one of the intermediaries consulted.

There are plants with short bookings, less than a week, and others continue to book for a couple of weeks and without setting a price.

The very low temperatures this week will have an impact on animals, but they are unlikely to raise the offer much, because there are not many animals from natural grasslands left for sale.

If the demand objective is to maintain activity levels close to those of previous weeks —above 50,000 heads— it is most likely that the downward trend in prices will come to an end shortly and the market will resume firmness quickly, because the expectation is of a reduced supply in the coming weeks.



The industry left behind the 481-quota window

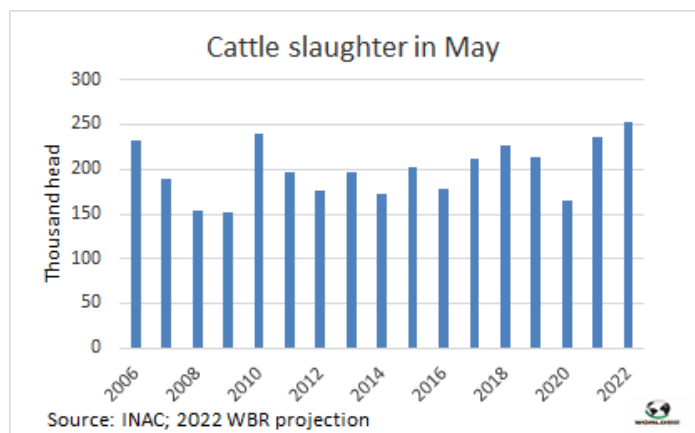
The production window for the HBB 481-quota was left behind and this was reflected both in the number of animals processed and in the composition of the slaughter. In addition, Saturday the 28th was the celebration for “the martyrs of the meat industry”, a paid holiday for workers in the sector, so the plants did not work.

INAC reported that in the week to May 28, 50,723 cattle entered plants, 6,022 less than in the previous one, although 5,718 more than in the same week last year. In addition, it was the least amount in six weeks, since Easter.

The decline occurred in steer and heifers —the categories used for the 481-quota— while the processing of cows suffered a slight increase. 24,950 steers were slaughtered (5,810 less than in the previous week), 5,829 heifers (-955 weekly) and 18,962 cows, with an increase of 639 heads.

The most active plants were Las Piedras (4,721), Marfrig-Tacuarembó (4,224) and Minerva-Pulsa (3,892). Marfrig, in its four plants, processed 12,685 cattle (-1,122 weekly) and Minerva, in three plants, 10,823 (-1,287 weekly).

With only two business days remaining to complete May, 226,592 cattle entered plants during the month, which will culminate close to 250,000 heads. It will be the most for the fifth month of the year since 2008.

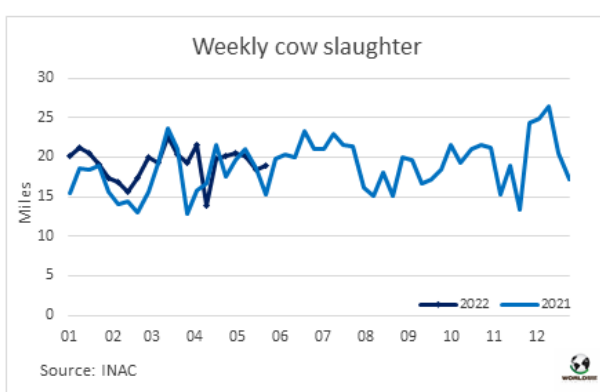
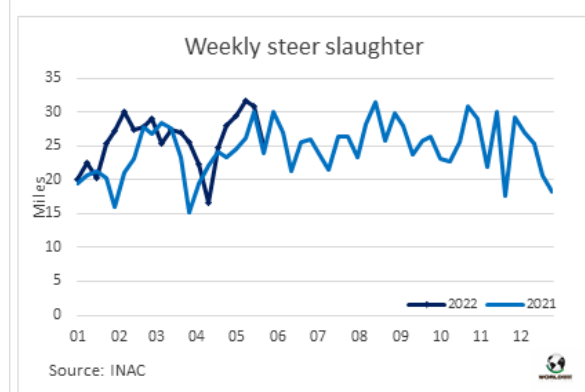


Uruguay - Cattle Slaughter

Total Slaughter from 21/05 - 28/05					Weekly slaughter per category			
Slaughterhouse	Year to date	% Total	Last week					
LAS PIEDRAS S.A.	100372	9,0%	4721		7-May	14-May	21-May	28-May
TACUAREMBÓ S.A.	95897	8,6%	4224	Total	58968	60156	56745	50723
CANELONES	79508	7,1%	3085	Steers	29385	31677	30760	24950
ONTILCOR S.A.	78572	7,1%	3586	Heifers	8078	7083	6784	5829
CARRASCO	76362	6,9%	3846	Cows	20516	20102	18323	18962
BREEDERS P.U.	72286	6,5%	3864	Calves	176	228	133	232
FRIG. PUL (PULSA)	70653	6,3%	3892	Bulls	813	1066	745	750
EST. COLONIA	70452	6,3%	3508	Percentage per category				
CLEDINOR S.A.	64918	5,8%	2645	Steers	7-May	14-May	21-May	28-May
INALER S.A.	64799	5,8%	2308	Steers	49,8%	52,7%	54,2%	49,2%
SAN JACINTO	46402	4,2%	1830	Heifers	13,7%	11,8%	12,0%	11,5%
CHIADEL S.A.	45242	4,1%	1493	Cows	34,8%	33,4%	32,3%	37,4%
BILACOR S.A. FRIG.	38401	3,4%	2162	Calves	0,3%	0,4%	0,2%	0,5%
SIRSIL S.A.	30803	2,8%	1838	Bulls	1,4%	1,8%	1,3%	1,5%
LORSINAL S.A.	30315	2,7%	1271	In the year to date				
CASA BLANCA	28555	2,6%	1232		2022	2021	2022/21	
ERSINAL S.A.	27322	2,5%	1481	Total	1113078	987764	12,7%	
COPAYAN S.A.	26578	2,4%	1013	Steers	543290	484601	12,1%	
SOMICAR S.A.	15681	1,4%	679	Heifers	145948	115080	26,8%	
SCHNECK	11150	1,0%	372	Cows	402617	366905	9,7%	
FRIGOCERRO S.A.	6542	0,6%	316	Calves	4142	5956	-30,5%	
Total	1113727		50723	Bulls	17081	15222	12,2%	

Source: INAC

Yellow numbers are WBR estimations



The industry handles a wide price range for sheep

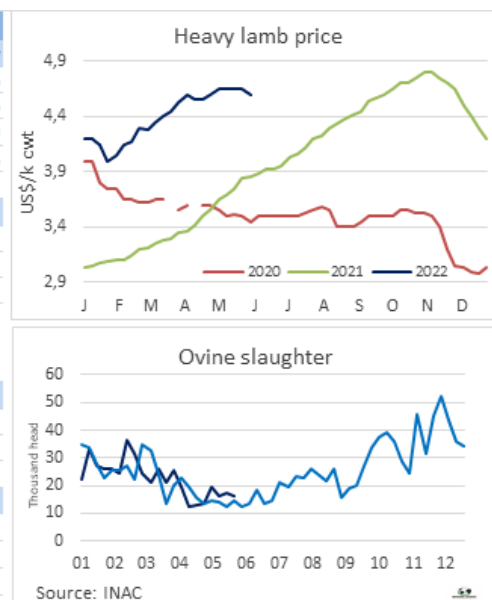
While some industries maintain purchase prices for sheep similar to those of previous weeks, others —especially those that concentrate their sales to China— handle references 20-30 cents lower. Heavy lambs are paid up to US\$4.60-4.65 per kilo and mutton up to US\$4.10-4.15 per kilo carcass.

Sheep slaughter remained at levels like those of previous weeks. INAC reported that in the week to May 28, 16,051 sheep were processed, 1,377 less than in the previous one, but about 3,500 more than in the same week last year. Lambs were 5,163, only 32% of the total.

The most active plants were San Jacinto (7,509), Las Piedras (3,770) and Frigocerro (2,273).

Ovine: slaughter, prices and exports in Uruguay				
Slaughter	7-May	14-May	21-May	28-May
Sheep	8061	6693	8303	8145
Mutton	627	1205	826	1365
Yearlings	1218	910	1049	1149
Lambs	9424	6838	7104	5163
Total	19599	16060	17428	16051
Slaughterhouse	Week from 21/05 - 28/05		Year to date	
	Total	Lambs	Total	Lambs
SAN JACINTO	7509	2497	135842	69513
LAS PIEDRAS S.A.	3770	1370	109239	51540
SOMICAR S.A.	0	0	58984	14972
FRIGOCERRO S.A.	2273	767	58595	18779
BAMIDAL S.A.	0	0	42812	18111
Prices (US\$/k carcass)	Last	Week	Month	% Diff. month
Export lamb	4,60	4,65	4,65	-1,1%
Mutton	4,15	4,18	4,15	0,0%
Sheep	4,10	4,15	4,12	-0,5%
Exports	30-Apr	7-May	14-May	21-May
Total	386	80	274	131

Exps. in tons cw. Sources: own, INAC, MGAP & ACG





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Argentina

In 2023 Argentina would have more than 20 plants enabled to export kosher

The interventions that the Government has been applying since May last year to beef exports seem to have encouraged slaughterhouses to start working kosher, since by an agreement between the two countries, 30 thousand tons remain exempt from export restrictions.

According to Daniel Urcía, head of the FIFRA cold storage chamber and vice president of the Institute for the Promotion of Argentine Beef (IPCVA), there are between four and five plants that are investing to obtain authorization to export meat to Israel, among them, Logros, from the province of Córdoba, and Mattievich, from Santa Fe.

Until now, 16 plants have been authorized for this destination: ArreBeef, Azul Natural Beef, Black Bamboo, Bernal, Ecocarnes, Alberdi, Gorina, two FRIAR plants, Marfrig, Federal, Runfo, Importadora y Exportadora de la Patagonia (La Anónima), Santa Giulia, Carnes Pampeanas and Swift.

The official intervention system exempts from restrictions the tariff quotas that the country has agreed with other territories, such as the EU (Hilton and 481) and the United States. In the case of Israel, a country with which there is no quota, it agreed to free Argentina from tariffs if it agrees to send 30,000 tons per year. Strictly speaking, just chilled beef had tariffs, which is about 10% of what goes to Israel, while the remaining 90% did not. Therefore, for the sources consulted by WBR say that more important than the removal of tariffs is the certainty that 2,500 tons per month will be available for Israel free of restrictions.

With no chance of arriving on time by water, Argentina will not complete its Hilton Quota

With the departure of the MSC Michela last Monday, there are no more ships with a chance of reaching the EU on time with beef cuts within the Hilton Quota 2021/22, which ends on June 30. The only possibility now is air transport, which, unless prices rise as they are beginning to do, does not appear to be a profitable option.

Until last week, 25,966 tons of Hilton 2021/22 had been certified, equivalent to 88.35% of the total destined for the EU (the 11 tons left for Great Britain after Brexit were covered shortly after the cycle began). These shipments generated a turnover of US\$ 318.3 million, at an average value of US\$ 12,258 per ton.

According to sources consulted by WBR, the first shipments are being made for the quota for the 2022/23 period, which begins on July 1.

MARKETS

The prices of the best export steers fall 2%

After a month without variations, the prices of the best export steers fell Ar\$10 per kilo carcass. Now the best British breeds are quoted from Ar\$ 530 to 540 per kilo on the hook, while Brahman crosses continue between Ar\$ 510 and 530. As for the good and special cows, they also fell Ar\$10 and now quote between Ar\$ 450 and 460 per kilo on the hook. Finally, industry cows destined for China, whose minimum values had already fallen by Ar\$30 per kilo the previous week, now fell by Ar\$10 more and quote around Ar\$350 to Ar\$390 per kilo on the hook.

Correspondent in Argentina: Alejandra Groba.



Paraguay

Confinements expected in a range of 350-500 thousand heads

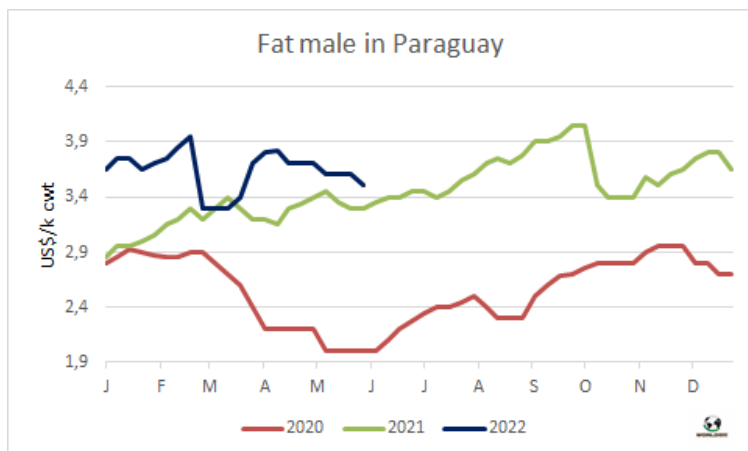
The availability of finished cattle in feedlots at the end of winter is estimated to be between 70% and 80% of its installed capacity, a feedlot operator projected to WBR. Although it is difficult to project a number considering that in Paraguay confinement surveys are not carried out as in Brazil, the source estimated that the flow of animals that could leave pens would be between 350,000 and 500,000. In any case, this is an approximation that will be adjusted over the next few weeks. "Today with a steer at US\$3.50 and corn at US\$300 per ton, numbers do not close that well", he warned.

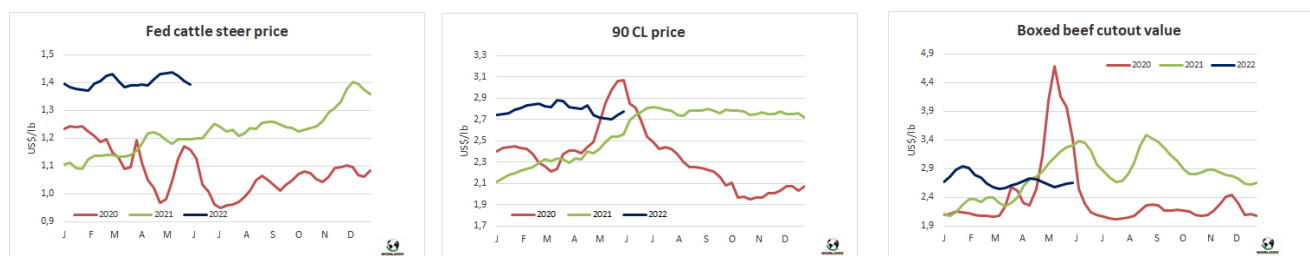
However, the source indicated that there are "expectations that the price of the fat steer" for August will be above that level. In addition, in the next few days corn will begin to be harvested, which is usually used to finish the cattle in feedlots. The sales contracts for this cereal and its price will also be key to see if farmers have more incentives to place animals in the coming months.

MARKETS

Finished cattle prices lost 10 cents last week

Finished cattle values adjusted downward last week. Lower temperatures increased supply and bookings were stretched to more than a week. In fact, the Mennonite packers have offer placed for the remainder of June, according to what an intermediary told WBR. In this context, other plants came out to offer prices of US\$3.50 per kilo carcass weight for the common fat steer and US\$3.10 for fat cows, some 10 cents below the prices that were available last week.



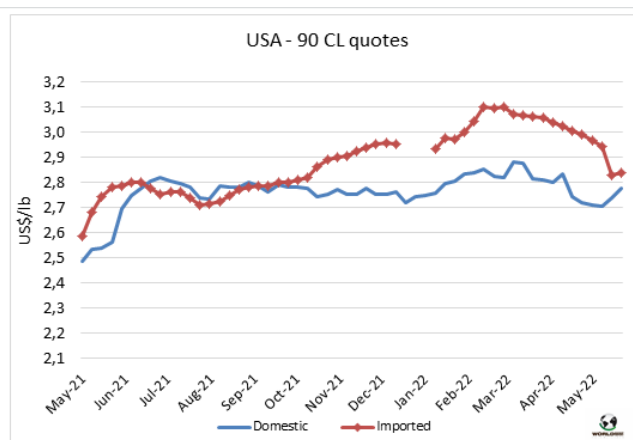


USCMA markets									
USA					USA				
Cattle (US\$/k)	Last	Week	Month	Var month %	Primal Cuts (Choice)	Last	Week	Month	Var month %
Steer Choice	3,07	3,10	3,16	-3,0%	Rib	8,96	9,01	9,04	-1,0%
Heifer Choice	3,05	3,10	3,15	-3,0%	Chuck	4,65	4,59	4,42	5,2%
Steer choice carc.	4,95	4,98	5,12	-3,4%	Round	4,66	4,65	4,72	-1,3%
Heifer Choice Carc.	4,92	4,97	5,13	-4,1%	Loin	8,24	8,19	8,17	0,9%
Cow 90% lean (400-500 lbs)	3,27	3,49	3,47	-5,9%	Brisket	4,63	4,67	4,73	-2,0%
Beef					Short plate	4,47	4,41	4,34	2,9%
Crt Cutout Values (600-900 lbs)	5,85	5,83	5,79	1,1%	Flank	3,45	3,41	3,45	-0,2%
Processing beef 90 CL	6,12	6,05	6,00	2,1%	Canada				
85 CL	5,43	5,40	5,41	0,3%	Cattle (US\$/k)	Last	Week	Month	Var month %
75 CL	Nom	Nom	Nom	-	Steers, Sel 1-2	3,13	3,03	3,06	2,0%
50 CL	2,41	2,40	2,53	-4,7%	Heifer Sel 1-2	3,08	s/d	3,03	1,8%
Selected primal cuts US\$ / Ton					Cow, cut & ut 1-3	1,83	1,83	1,79	2,4%
Ribeye (over 14 lb.)	19161	20587	18770	2,1%	Import price (US\$/ton, frozen, boneless)				
Shoulder Clod	Nom	5619	5967	-	Forequarter	3600	s/d	s/d	-
Knuckle	6552	6485	6502	0,8%	Hindquarter	3523	s/d	s/d	-
Inside Round	5625	5868	6589	-14,6%	Flats	s/d	s/d	s/d	-
Outside Round	5689	5562	5540	2,7%	Canada - Boxed Beef Prices (US\$/k)				
Eye of round	5927	5864	6135	-3,4%	Chuck	s/d	s/d	s/d	-
Strip Loin	17415	17080	17200	1,2%	Rib	s/d	s/d	s/d	-
Top Butt	8277	8504	8644	-4,2%	Round	s/d	s/d	s/d	-
Tender Loin	29591	30006	31295	-5,4%	Brisket	s/d	s/d	s/d	-
CME futures - Live Cattle (US\$/k)					Flank	s/d	s/d	s/d	-
	Last	Week	Month	Var month %	Cuarto trasero	s/d	s/d	s/d	-
Jun-22	2,91	2,93	2,98	-2,2%	Mexico (US\$/k)				
Aug-22	2,92	2,93	3,02	-3,4%	Carcasses	4,86	4,78	4,64	4,7%
Oct-22	3,04	3,05	3,18	-4,2%					
Dec-22	3,17	3,18	3,31	-4,1%					
Feb-23	3,28	3,29	3,40	-3,5%					
Apr-23	3,36	3,37	3,46	-2,7%					
Jun-23	3,26	3,25	3,33	-2,1%					

Sources: USA: USDA and CME. Canada: Cattle: USDA; Import prices: Department of Foreign Affairs and International Trade
Boxed Beef Prices: Agriculture and Agri-Food Canada. Mexico: Umer Barry

USA - Import values							
		Uruguay			Australia & New Zealand		
0-15 Days	CL	27-May	20-May	29-Apr	27-May	20-May	29-Apr
Bull meat	95%	n	n	n	6.867	6.845	7.000
Cow meat	95%	n	n	n	6.559	6.526	6.856
	90%	n	n	n	6.261	6.239	6.592
CFM Fores	85%	n	n	n	6.074	6.074	n
Trimming	85%	n	n	n	6.041	6.030	6.129
	80%	n	n	n	n	n	5.732
	75%	n	n	n	n	n	n
16-45 días							
Bull meat	95%	n	n	n	6.889	6.889	7.000
Cow meat	95%	n	n	n	6.592	6.603	6.889
	90%	n	n	n	6.283	6.316	6.614
CFM Fores	85%	n	n	n	6.107	6.107	n
Trimming	85%	n	n	n	6.063	6.085	6.129
	80%	n	n	n	n	n	5.732
	75%	n	n	n	n	n	n

In US\$/ton; n=no quote; Source: based in USDA



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Europe

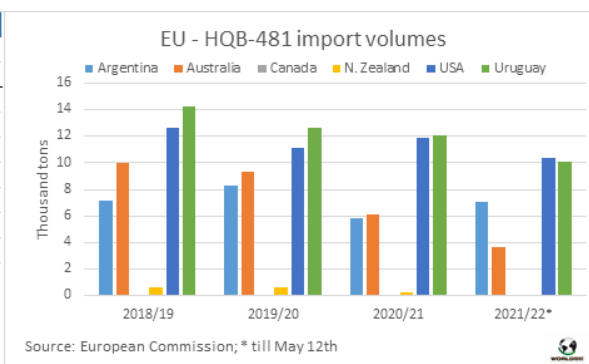
The US surpassed Uruguay as a provider in the 481-quota

In the financial year 2021/22 to May 12, the European Union imported 31,096 tons of beef within the 481-quota of meat from grainfed animals. The main supplier is the United States with 10,365 tons (33.3% of the total), closely followed by Uruguay (10,052 tons), a country that, until this year, was the main exporter within this tariff quota.

The only origin that grew this year is Argentina, which exported 7,017 tons till May 12th, 21% more than in all 2020/21.

Meanwhile, Uruguayan exports contracted 16.5% and those of the United States 12.6%, although volumes will continue to enter from this country until the end of June. The same will not happen with the other origins since they have already completed their share of the quota.

EU imports in HQB-481 Import quota						
	2019/20		2020/21		2021/22*	
	Tons	%	Tons	%	Tons	%
Argentina	8284	19,8%	5780	16,0%	7017	22,6%
Australia	9291	22,2%	6140	17,0%	3606	11,6%
Canadá	3	0,0%	4	0,0%	0	0,0%
N. Zelanda	618	1,5%	203	0,6%	56	0,2%
EEUU	11093	26,5%	11853	32,9%	10365	33,3%
Uruguay	12642	30,1%	12036	33,4%	10052	32,3%
Total	41931		36016		31096	
2021/22 till May 12th 2022						



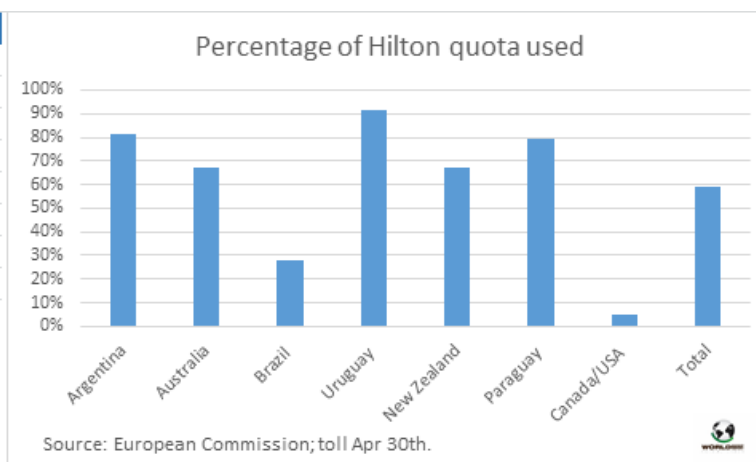
Uruguay would be the only country that would meet its Hilton Quota in 2021/22

As of April 30, the European Union had used 58.8% of the Hilton quota for the 2021/22 financial year.

Uruguay would be the only country that would complete its 2021/22 Hilton Quota, according to data from the European Commission reported by the ABC Consortium. As of April 30, the country had fulfilled 91.4% of its quota of 5,606 tons and had two months left to enter the slightly less than 500 remaining tons.

In second place in the ranking of meeting the quota was Argentina, the country with the highest assigned quota, which had placed 81.6% of its 29,389 tons, with almost no chance of completing the quota. Third was Paraguay, with 79.2% shipped of its quota of 1,000 tons; fourth, New Zealand, with 67.5% shipped of its 846 tons; fifth, very close, Australia had covered 67.1% of its 2,481 tons, and last was Brazil, which had dispatched only 27.6% of its 8,941 annual tons of Hilton.

Hilton quota 2021/22			
	2020/21 till Apr 30 (Tons)		% used
Argentina	29389	23971	81,6%
Australia	2481	1665	67,1%
Brazil	8941	2471	27,6%
Uruguay	5606	5123	91,4%
New Zealand	846	571	67,5%
Paraguay	1000	792	79,2%
Canada/USA	11481	558	4,9%
Total	59744	35151	58,8%



The ASF continues to cause complications for Germany

The Federal Ministry of Food and Agriculture (BMEL) reports that African swine fever (ASF) first appeared on a pig farm in Baden-Württemberg. The national reference laboratory, the Friedrich-Loeffler-Institut (FLI), confirmed a finding by the Baden-Württemberg state laboratory in the corresponding sample and will now support the responsible authority in the investigation of the route of entry of the pathogen into the farm that had 35 free-range pigs and was located in Emmendingen, near the French and Swiss borders. All the animals were immediately slaughtered, Eurocarne reported.

GOOD MEAT, LET'S MEET

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Oceania

Australia: strong start to 2022 for lot fed sector

The Australian lot feeding sector has had a strong start to 2022, outperforming the previous December 2021 quarter in nearly every metric measured by the Australian Lot Feeders Association (ALFA) Lot feeding brief released by ALFA and MLA. Overall, confidence in the sector can be measured by numbers on feed and national capacity – both of which outperformed the

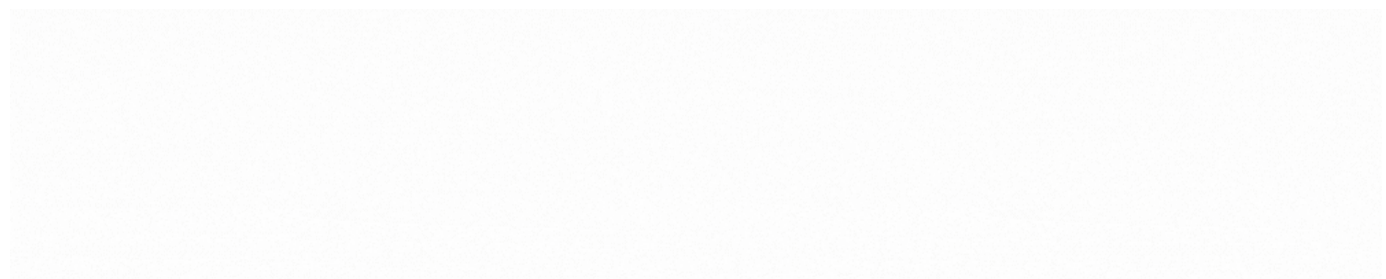
December 2021 quarter to be higher by 9.5% and 2% respectively. Medium term market confidence for grainfed cattle can be attributed to this national capacity increase.

Meanwhile, the national utilization rate rose by 5% quarter-on-quarter to hit 85% utilization nationally, demonstrating the robust demand for Australian grainfed beef.

Following on from an increase in pen space or capacity and a 9.5% rise in numbers on feed, cattle turn-off for the March 2022 quarter also outperformed that of the December quarter.

This continues the sustained turn-off growth seen in the sector since the December 2020 quarter. In the March 2022 quarter, numbers reached 742,323 head – an increase of 2.2%. When compared to year-ago levels, the significant growth in turn-off the sector has experienced in the past 12 months is evident. The March 2022 quarter turnoff volumes were higher than the volumes seen in the March 2021 quarter by 11.5% or 76,787 head.

Australia Beef Export Prices				
To US (C.I.F.)	13-May	6-May	15-Apr	Mthly Var %
Bull 95 CL	6.779	6.779	s/d	x
Cow 90 CL	6.294	6.338	s/d	x
Cow 85 CL	5.953	5.953	s/d	x
Shank 90 CL	6.173	s/d	s/d	x
Trimming 85 CL	5.964	5.941	s/d	x
Trimming 80 CL	s/d	s/d	s/d	x
Trimming 75 CL	s/d	s/d	s/d	x
US\$ / ton CL Chemical Lean				



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Asia

Malaysia decided to cut chicken exports due to shortages and high prices

Malaysia will stop the export of chicken from June 1, due to the shortage of this product and the very high prices, according to the Vietnam+ portal on its website. Malaysian Prime Minister Ismail Sabri Yaakob said the decision will be effective until production and prices stabilize. Official data indicates that the country exports 3.6 million tons of chicken per month. Malaysia's move raised concerns for Singapore, which relies heavily on its food supply. According to data from the Singapore Food Agency, about a third of Singapore's chicken supply in 2021 was imported from Malaysia.

South Korea eliminates till year end the tariff for pork imports

The Korean government announced on Monday tax cuts and other measures to help tame runaway inflation. They include scrapping tariffs on imports of food essentials as well as VAT rebates.

The current tariff of 22.5-25 percent on imported pork will be scrapped until the end of this year. The government expects that to result in an 18.4 percent to 20 percent drop in prices, informed the ChosunMedia.

Exchange rates			
	31-May	24-May	1-Jun-21
Uruguayan peso	39,90	39,91	43,68
Argentine peso	120,19	119,10	94,73
Brazil Real	4,7349	4,8173	5,1434
Guarani, Paraguay	6882	6848	6765
Canadian dollar	2,2656	1,2783	1,2055
Euro	1,0717	1,0708	1,2220
Pound	1,258	1,249	1,416
Rouble	62,651	56,625	73,637
Yen	128,236	127,226	109,652
Yuan	6,664	6,657	6,383
Australian dollar	1,394	1,413	1,293

All currency/US\$, except euro and pound, US\$/curr.