

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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GAIN Report Number:

Argentina

Livestock and Products Semi-annual

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Report Highlights:

Argentine beef production for 2015 and 2014 is lowered from USDA's official number to 2.7 million tons carcass weight equivalent as a result of a drop in slaughter numbers, due to market dynamics and somewhat smaller calf crops than earlier expected. Domestic consumption in 2015 is expected to be negatively affected as Post maintains export forecasts at 200,000 tons. While Argentina's traditional markets tend to weaken their demand, China is expected to continue to increase its purchases.

Commodities:

Meat, Beef and Veal

Author Defined:

Post projects Argentine beef production for 2015 at 2.7 million tons carcass weight equivalent (cwe), 150,000 tons lower than USDA's official number. The main reason for such a difference is a drop in slaughter, now projected at 12.3 million head, 600,000 head lower than USDA, but maintaining a relatively similar average carcass weight. The final estimate for the 2014 calf crop was 200,000 head lower than estimated by USDA. Excessive heat during summer time affected pregnancy rates more than anticipated, as did winter flooding due to excess rain in the main cow-calf area in the province of Buenos Aires which provoked greater losses of calves than projected.

Beef production in 2014 is also adjusted downwards by 120,000 tons at 2.7 million tons (cwe), as well as the number of slaughtered cattle which is now estimated at 12.4 million head, 400,000 head lower than the official USDA estimate. Contacts indicate that, due to high feeder cattle prices, some cattlemen preferred to add some more weight to their cattle and high temperatures in December slowed down weight gains, postponing the marketing of fed cattle to the first months of 2015.

Due to current local policies and market dynamics, the number of steers (420-480 kilos live weight) available is very limited, as this category is normally produced primarily for the export market. Export limitations and export taxes encourage producers to finish light heifers and steers, weighing approximately 300 kilos live weight. This factor is playing against Argentina's possibility of producing more beef for the domestic and export markets. The beef utilized from a heavy steer for exports is normally no more than 10-15 percent of the animal, leaving the rest for the domestic market. With Presidential elections in October 2015, many contacts indicate that most presidential candidates have promised a substantial change in policy as a part of their campaign platform.

In 2015 Argentines are expected to consume 2.5 million tons of beef, 150,000 tons lower than USDA, due to a smaller beef output and an unchanged export volume. A similar situation is estimated for 2014.

Argentine beef exports are closely monitored by the government which provides export permits for each shipment. In 2014 Chile was the number one market (volume wise) for Argentine beef, followed by the Russian Federation and the EU. Nowadays, all three markets are undergoing economic problems and currency devaluations. Local beef exports are shifting towards China which continues to increase its demand. This market currently purchases frozen boneless beef, but local exporters are optimistic that in the next few months Argentina could sign a new sanitary protocol with China to export bone-in and chilled beef (as Uruguay already does). Thermoprocessed beef exports continue to be practically non-existent.

Cattle ending stocks for 2015 are now forecast at 52.8 million head, 800,000 head higher than the official USDA forecast. This increased stock is primarily the byproduct of the holdover of cattle slaughter from 2014 to 2015, currently being forecast by Post.

Animal Numbers, Cattle Market Begin Year Argentina	2013/2014		2014/2015		2015/2016	
	Jan 2013		Jan 2014		Jan 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post

Total Cattle Beg. Stks	51,095	51,095	51,545	51,545	51,695	51,895
Dairy Cows Beg. Stocks	2,100	2,100	2,100	2,100	2,100	2,100
Beef Cows Beg. Stocks	20,900	20,900	21,300	21,300	21,300	21,300
Production (Calf Crop)	14,000	14,000	13,700	13,500	13,900	13,900
Total Imports	0	0	0	0	0	0
Total Supply	65,095	65,095	65,245	65,045	65,595	65,795
Total Exports	0	0	0	0	0	0
Cow Slaughter	3,400	3,400	3,600	3,500	3,700	3,500
Calf Slaughter	3,900	3,900	3,900	3,900	3,900	3,800
Other Slaughter	5,600	5,600	5,300	5,000	5,300	5,000
Total Slaughter	12,900	12,900	12,800	12,400	12,900	12,300
Loss	650	650	750	750	650	650
Ending Inventories	51,545	51,545	51,695	51,895	52,045	52,845
Total Distribution	65,095	65,095	65,245	65,045	65,595	65,795
1000 HEAD, PERCENT						

Meat, Beef and Veal Market Begin Year Argentina	2013/2014		2014/2015		2015/2016	
	Jan 2013		Jan 2014		Jan 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Slaughter (Reference)	12,900	12,900	12,800	12,400	12,900	12,300
Beginning Stocks	0	0	0	0	0	0
Production	2,850	2,850	2,820	2,700	2,850	2,700
Total Imports	0	0	0	0	0	0
Total Supply	2,850	2,850	2,820	2,700	2,850	2,700
Total Exports	186	186	190	197	200	200
Human Dom. Consumption	2,664	2,664	2,630	2,503	2,650	2,500
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	2,664	2,664	2,630	2,503	2,650	2,500
Ending Stocks	0	0	0	0	0	0
Total Distribution	2,850	2,850	2,820	2,700	2,850	2,700
1000 HEAD, 1000 MT CWE, PERCENT, PEOPLE, KG						