

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Argentina

Livestock and Products Semi-annual

2014

Approved By:

Melinda Sallyards

Prepared By:

Ken Joseph

Report Highlights:

Post projects Argentine beef production for 2014 at 2.9 million tons (carcass weight equivalent). This two percent increase from USDA's number is justified by expected larger slaughter due to a higher cattle supply and the fact that cattle are slaughtered younger and lighter for the domestic market which takes over 93 percent of the country's beef supply. Beef exports in 2014 are now estimated at 200,000 tons, 20,000 tons lower than USDA. The government continues to assert a strong control on exports and meat packers' returns are very small due to increasing costs and limited exports.

Commodities:

Select

Author Defined:

Argentine beef production for 2014 is raised 60,000 tons from USDA official volume, totaling 2.9 million metric tons (carcass weight equivalent - cwe). This is a result of a higher slaughter level than previously estimated for 2013 and 2014. A herd that is in a modest rebuilding phase, a higher number of calves produced, thin returns at the producer level, and a beef market which is widely dominated by the domestic demand (it demands 93 percent of the total production) made the slaughter of cattle accelerate during the middle part of 2013. The number of young, light cattle in the slaughter is increasing as these types of animals are the most demanded by the local market and the supply of heavy steers, which are normally used for the export market, is in a serious shortage. Although slaughter levels have increased in 2013 and 2014, the production of beef has expanded marginally due to a significant drop in average carcass weights. While weights in 2012 were 226 kilos, they dropped to 221 kilos in 2013 and are expected to drop even further at 220 kilos in 2014. Beef production for 2013 is also adjusted upwards at 2.85 million tons, 50,000 tons higher than USDA as a reflection of a larger slaughter. Almost all the additional beef produced was consumed domestically.

Beef exports for 2014 are now estimated at 200,000 tons (cwe), 20,000 tons lower than USDA. There is great uncertainty about the final level of exports as contacts indicate that it is in the hands of the government to decide the export volume it will authorize. In fact, the government, in an attempt to lower beef retail prices, has been limiting export certificates to negotiate with the industry. The idea is to have meat packers sell some popular cuts at discounted prices against export authorizations. Cattle and beef prices increased 52 percent since October 2013 as a result of a strong increase in hide prices, an unusually rainy season (from mid-January through mid-February) which has complicated the logistics to move cattle around, and to a strong devaluation of the local currency (35 percent since October 2013). Exporters' returns are currently worse than prior to the devaluation. Production costs are expected to continue to increase significantly this year, with private economists projecting inflation between 30-40 percent in 2014. There are several export plants closed and many are operating at a very low capacity.

Post projects domestic beef consumption for 2014 at 2.7 million tons, 80,000 tons higher than USDA. This is a result of a marginally larger beef production and slightly smaller exports than earlier anticipated.

Cattle losses in 2013 were increased 50,000 head from USDA's number because of a severe two-year long drought in the Northwestern region of the country.

Ending stocks for 2014 are now projected at 52.2 million head, lower than USDA's 53.1 million head. The difference is primarily justified by larger slaughters in 2013 and 2014.

Statistical Tables

Animal Numbers, Cattle Argentina	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks	49,597	49,597	51,095	51,095	52,195	51,745
Dairy Cows Beg. Stocks	2,100	2,100	2,100	2,100	2,100	2,100
Beef Cows Beg. Stocks	20,000	20,000	20,900	20,900	21,500	21,500
Production (Calf Crop)	13,700	13,700	14,200	14,200	14,300	14,300
Total Imports	0	0	0	0	0	0
Total Supply	63,297	63,297	65,295	65,295	66,495	66,045
Total Exports	2	2	0	0	0	0
Cow Slaughter	2,900	2,900	3,400	3,400	3,600	3,600
Calf Slaughter	3,500	3,500	3,700	3,900	3,800	4,000
Other Slaughter	5,200	5,200	5,400	5,600	5,400	5,600
Total Slaughter	11,600	11,600	12,500	12,900	12,800	13,200
Loss	600	600	600	650	600	600
Ending Inventories	51,095	51,095	52,195	51,745	53,095	52,245
Total Distribution	63,297	63,297	65,295	65,295	66,495	66,045
1000 HEAD, PERCENT						

Meat, Beef and Veal Argentina	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	11,600	11,600	12,500	12,900	12,800	13,200
Beginning Stocks	0	0	0	0	0	0
Production	2,620	2,620	2,800	2,850	2,840	2,900
Total Imports	2	2	0	0	0	0
Total Supply	2,622	2,622	2,800	2,850	2,840	2,900
Total Exports	164	164	180	186	220	200
Human Dom. Consumption	2,458	2,458	2,620	2,664	2,620	2,700
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	2,458	2,458	2,620	2,664	2,620	2,700
Ending Stocks	0	0	0	0	0	0
Total Distribution	2,622	2,622	2,800	2,850	2,840	2,900
1000 HEAD, 1000 MT CWE, PERCENT, PEOPLE, KG						