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Argentina

Livestock and Products Semi-annual

2013

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Report Highlights:
Argentine cattle and beef projection for 2013 reported in September 2012 remains practically unchanged.

Commodities:

Animal Numbers, Cattle

Meat, Beef and Veal

Production:

Cow-calf operations are expected to slow down the pace of herd rebuilding as the price paid for calves in 2013 is expected to remain quite similar to the past two years. During this period, the cost of production increased approximately 25 percent annually. Returns are still positive, but rapidly phasing out. Production costs for 2013 are expected to continue increasing.

Returns for cattle finishers and feedlots are expected to improve in 2013 as fed cattle prices are forecast to recover from the lows of the last part of 2012 and to the fact that feeder cattle prices are expected to remain stable.

Cattle slaughter for 2013 is raised by 100,000 head from USDA's official number. Final slaughter could be even slightly higher. Due to smaller returns in the cow-calf business, female slaughter is expected to increase more rapidly than earlier anticipated. Beef production for 2013 is forecast at 2.8 million tons, 20,000 tons higher than USDA's number as a consequence of a higher slaughter.

Consumption:

Domestic consumption remains at 2.6 million tons, nearly the same as USDA's number. As a result of a larger herd, a higher slaughter, and a low volume of exports, per capita consumption is rising. Consumption in 2013 is expected at 63 kilos. Poultry and to a lower extent pork, continue to compete strongly with beef.

Trade:

Exports for 2013 are still projected at a low 180,000 tons. The sector continues to experience government export limitations and the consequences of high cattle prices due to an over-valued local currency which hurts the sector's competitiveness. In most cases exporters prefer to sell domestically than to export. Exports of thermoprocessed beef to the US are lower as the largest exported plant is still suspended given FSIS' finding of ivermectine residues in shipped product. Exports under the 30,000 ton Hilton Quota will continue but traders are skeptical about its complete fulfillment. In other markets (e.g. Chile, the Russian Federation, Israel), Argentina faces strong competition from neighboring Uruguay and Paraguay. Argentina has presented all the documentation to access EU's High Quality Beef Quota – 481 MT, but so far it has not been authorized to export.

Argentine beef exports in 2012 totaled 164,000 tons, slightly lower than USDA's number. This number differs from Global Trade Atlas because Post deducts processed offal exports under HTS 160250.

Production, Supply and Demand Data Statistics:

Animal Numbers, Cattle Argentina	2011	2012	2013
	Market Year Begin: Jan 2011	Market Year Begin: Jan 2012	Market Year Begin: Jan 2013

	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks	48,156	48,156	49,597	49,597	51,097	51,195
Dairy Cows Beg. Stocks	2,100	2,100	2,100	2,100	2,100	2,100
Beef Cows Beg. Stocks	19,100	19,100	20,000	20,000	20,900	20,900
Production (Calf Crop)	13,100	13,100	13,800	13,800	14,200	14,200
Total Imports	1	1	0	0	0	0
Total Supply	61,257	61,257	63,397	63,397	65,297	65,395
Total Exports	0	0	0	2	0	0
Cow Slaughter	2,570	2,570	2,700	2,900	3,200	3,600
Calf Slaughter	3,040	3,040	3,600	3,500	3,700	3,500
Other Slaughter	5,450	5,450	5,400	5,200	5,500	5,400
Total Slaughter	11,060	11,060	11,700	11,600	12,400	12,500
Loss	600	600	600	600	600	600
Ending Inventories	49,597	49,597	51,097	51,195	52,297	52,295
Total Distribution	61,257	61,257	63,397	63,397	65,297	65,395
1000 HEAD, PERCENT						

Meat, Beef and Veal Argentina	2011		2012		2013	
	Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		Market Year Begin: Jan 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	11,060	11,060	11,700	11,600	12,400	12,500
Beginning Stocks	0	0	0	0	0	0
Production	2,530	2,530	2,620	2,620	2,780	2,800
Total Imports	3	3	2	2	2	2
Total Supply	2,533	2,533	2,622	2,622	2,782	2,802
Total Exports	213	213	170	164	180	180
Human Dom. Consumption	2,320	2,320	2,452	2,458	2,602	2,622
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	2,320	2,320	2,452	2,458	2,602	2,622
Ending Stocks	0	0	0	0	0	0
Total Distribution	2,533	2,533	2,622	2,622	2,782	2,802
1000 HEAD, 1000 MT CWE, PERCENT, PEOPLE, KG						