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## **Report Name:** Livestock and Products Annual

**Country:** Argentina

**Post:** Buenos Aires

**Report Category:** Livestock and Products

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### **Report Highlights:**

Argentine beef exports in 2025 are projected at a record 860,000 tons, carcass weight equivalent (cwe) as beef production is forecast to increase marginally. A larger herd and abundant calf crops 2 to 3 years ago are expected to support a slightly higher cattle slaughter. China is expected to continue to be the top export destination (measured in volume), but beef exports to the United States are forecast to remain strong given the import demand and Argentina's current competitive prices. Domestic beef consumption is touching a record low as less expensive poultry and pork continue to gain on beef's share.

## Production

Argentine beef production in 2025 is forecast at 3.175 million tons carcass weight equivalent (cwe), up 2 percent from the previous year. The number of slaughtered cattle is projected to increase marginally at 13.8 million head, primarily because of a slightly higher cattle herd and good, plentiful calf crops in 2022 and 2023 which will supply the slaughter in 2025. In addition, most local meat packers have idle capacity and need they will use to slaughter more on their production lines in order to be as efficient as possible and reduce costs. The average carcass weight is forecast to remain practically the same as last year's.

A new government took office in early December 2023 and announced early on many modifications to the way business was conducted domestically through a bill which after many negotiations in Congress, finally became law six months later, but significantly smaller and limited than the original version. After many years of government intervention and strong tax pressure, the government is implementing several changes in order to free up the economy of many barriers and limitations. The cattle and meat packing sectors in general agree with the new economic direction the government is implementing, although they know that it will take time, effort and patience. They claim the sector needs predictability and not permanent policy changes as in the past.

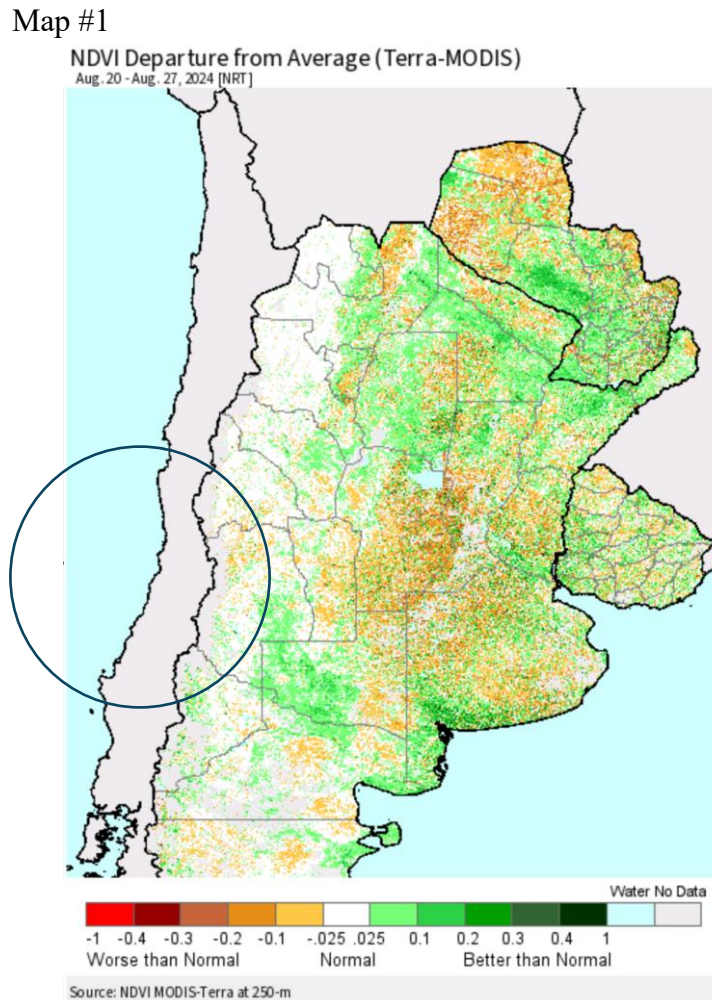
Local breeders are in a wait and see mode, being very cautious about new investments, but focusing on becoming more efficient and trying to reduce costs as returns are tight. The weather has not been favorable for the sector which has suffered three years in a row of La Niña events, which in Argentina means a dry environment. In spring 2023, weather forecasts announced the coming of rainy weather with El Niño, which finally resulted in erratic rains mixed with dry and very hot summer days. It rained abundantly in April, but in most cases it was quite late. Since early May, the country is back into a dry period with the coldest winter of the past several years, with unusually harsh frosts. The condition of pastures is quite poor, delaying even more the whole productive chain in many commercial breeding herds. The breeding season in 2023, which typically goes from October-December, was delayed 1-2 months into early 2024 with the expectation of having a better pregnancy rate. This also delayed the calving season. The lack of pastures has also forced breeders to send more cows to slaughter, taking advantage of high prices because of good demand for beef exports to China.

One of the recent measures taken by the new government was the elimination of the 9 percent export tax on beef from cows. Export taxes on beef from all other cattle (steers, heifers) were reduced from 9 percent to 6.75 percent. There is strong discussion if this is a good measure as in a way it incentivizes the slaughter of cows, the "producing machine" of the cattle/beef sector.

The calf crop (calves born) in 2025 is projected at 14.8 million head, in line with the past two seasons. The condition of cows during in 2024 is fair as a result of poor pasture production. If La Niña finally comes in spring/summer, the 2025 calving season could be somewhat impacted with a lower production rate than in normal years. The number of breeding cows in 2025 and 2024 is smaller than in 2023 as breeders continued to discard open cows and in many cases sell them for slaughter as prices continue to be attractive. The cow herd continues to be refreshed as many unproductive females are discarded. The average breeder tries to incorporate better nutritional and sanitary management, but it is a slow process. The continued drop in world grain and oilseed prices is making some small and medium producers return to breeding or finishing cattle as it provides more stability to their operations. On the other hand,

until last year many farmers sold their grain and as they did not want to keep pesos due to high inflation purchased breeding cows to graze low lands where farming was not possible, or purchased feeder cattle to grow them out and add value to their grain. Currently, this has stopped as farmers only sell the grain that is strictly necessary to cover their expenses and keep the rest in storage, waiting for better conditions to sell.

The following map shows the vegetation index through late August 2024 and its departure from average. Circled is the main area with cow calf and backgrounding operations, which clearly shows the poor condition of pastures:



Source: USDA FAS

Backgrounding cattle is projected to recover in 2025 as producers expect improved fed cattle prices, better weather and continued low corn prices which could make feedlots demand more cattle for confinement. Backgrounding in 2024 slowed down because of the limited production of most pastures, while inexpensive corn prices encouraged many cattlemen to send their cattle to feedlots directly.

Cattle are mostly finished on grains, but a small share are still finished on pastures. Producers continue to improve their nutrition and feed programs by planning the use of pasture, silage, and pasture bales.

Feedlots are expected to be quite active in 2025 as most contacts believe finished cattle prices will improve, especially with a domestic economy rebounding and probable improved FOB prices, and inexpensive corn prices. Less restrictions on beef exports is expected to encourage the finishing of steers at heavier weights, something that helps exporters gain efficiency. Local slaughter plants are a major player in the feedlot business accounting for a significant share of the cattle in confinement as they need to assure regular cattle supply and have control of cattle quality for their slaughter.

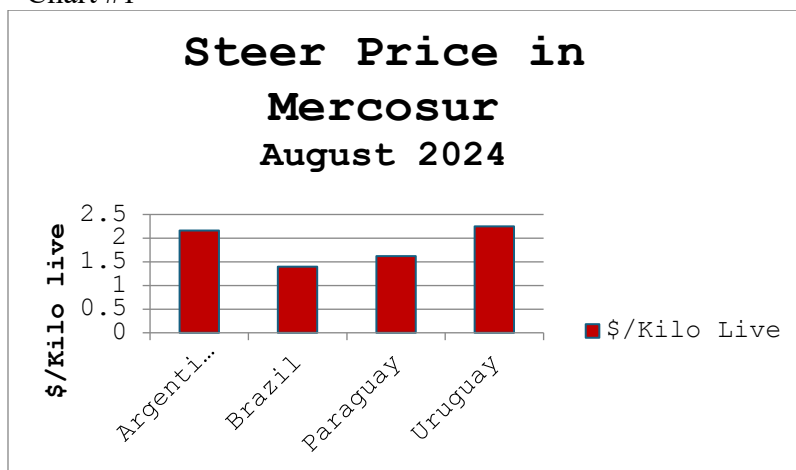
Ending inventories in 2025 are forecast to remain mostly unchanged from the previous two years, with calves born in 2024 and 2025 being quite similar to the sum of expected slaughter plus losses. Economic conditions are yet not quite there to encourage a herd rebuilding and the current slaughter of females is close to the level of herd equilibrium.

Argentina has approximately 350 slaughter plants of which the first 100 account for roughly 85 percent of production. Currently most packers are in a difficult economic/financial situation because of a weak domestic demand, with consumers' low purchasing power and an economic recession. Exporting plants, are suffering high cattle prices and high production costs, which make it difficult to compete against other very competitive suppliers such as Brazil.

The government is currently working on a pilot project to unify a minimal sanitary standard across the country (from small to large export plants) by which all processing plants need to comply with basic requirements on food safety focusing on the cold chain, hygiene, and sanitary standards. In parallel, the government recently passed regulation by which all beef carcasses in the country will have to be graded. To date only 2/3 of the total comply with it in 76 plants. Carcasses will be classified in category, sex, age, conformation and grade of finishing, by which beef quality will be determined. The government aims at improving and strengthening beef commercialization to add value to the domestic, but more importantly, the export beef chain.

The following chart shows steer prices in mid-August 2024 in the Mercosur region, the area from where roughly one third of world's beef exports come. It clearly shows the current price competitiveness of Brazilian beef as the price of their cattle, the industry's main cost, are significantly lower than its neighbors, including Argentina's.

Chart #1



Source: IPCVA

There is currently strong discussion on a government recent initiative to make compulsory the use of animal identification with electronic tags starting as of January 2025. For cattle it would replace the current analogic tag. A few important export markets demand traceability and the government indicates that the world market is going towards requiring greater product information and traceability. Although not yet officially launched, the government would like to have all calves weaned in 2025 tagged with the new device and continue from then on. The industry supports the idea, but most breeders question it as they say it will increase their costs but will not provide them any benefits.

## Trade

**Note 1** (February 2024) – *Argentine Secretariat of Agriculture and Livestock: Beef exports and consumption per person for the last 4 years were recalculated*

The Argentina Secretariat of Agriculture and Livestock completed a methodological review of the calculation of beef exports, adjusting its composition for the period 2019-2023. As of 2019, the changes registered in trade with China, the sale of meat with bone and also bones resulting from deboning (known as “bones with meat”) are allowed. Sales of this product have been growing significantly in recent years to the Asian giant. Its inclusion in the calculation caused a higher number of meat exports compared to reality, which also affected the calculation of the domestic consumption of beef that is obtained by difference between production and export. (Unofficial translation) [Se recalcularon las exportaciones de carne vacuna y el consumo por persona de los últimos 4 años | Argentina.gob.ar](#)

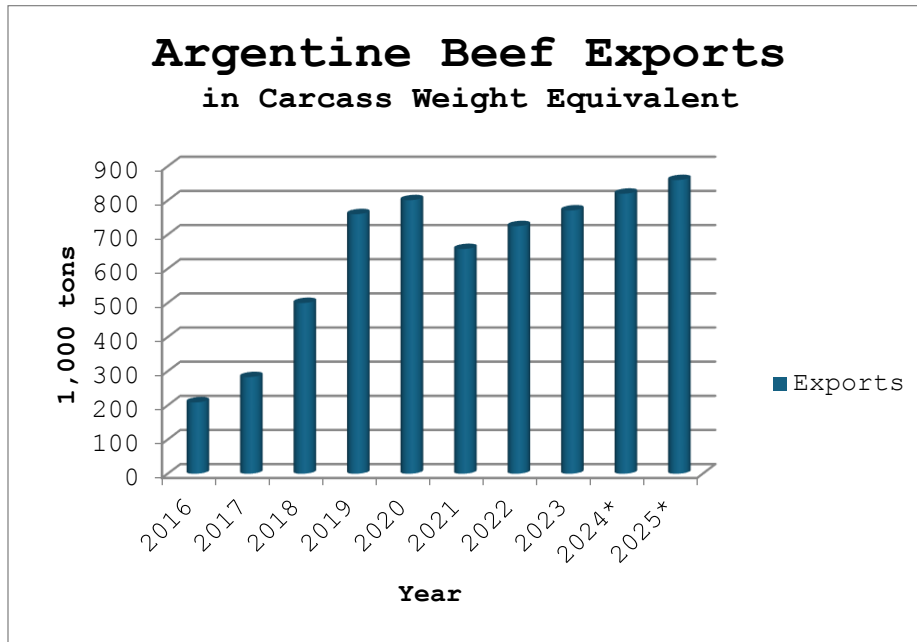
FAS’ statistical data across this report has taken the appropriate recalculation for both exports and domestic consumption since 2019.

**Note 2** – FAS/USDA conversion rate for Argentine boneless beef (chilled and frozen) product weight to carcass weight equivalent (cwe) is 1.36

Argentine beef exports in 2025 are forecast up at 860,000 tons cwe, 5 percent higher than in 2024, the highest on record. This is because a greater projected beef output and firm foreign demand. Local exporters are quite optimistic and believe exports could be close to the 1 million ton mark over the next few years.

Beef consumption in Argentina continues to be very important, having one of the world’s highest per capita consumption rates. However, beef consumption is declining mainly due to an increase in demand of less expensive alternatives such as poultry and pork, which combined total more than the volume of beef, once the preferred meat by far. There is also a change in consumption habits. Therefore, with growing beef production, Argentina in the future will need to focus more in growing exports by opening new markets and expanding those which are already open. Exports in Argentina have historically accounted for 15-25 percent of total beef production depending on market conditions and domestic policies. In recent years, with domestic consumption declining, exports are fluctuating more in the range of 25-28 percent. Many analysts believe this trend will continue and exports will account for a growing share of beef production in years to come.

Chart #2



Source: Post with TDM data (bones excluded)

\* Post's Projection

The government has been moving forward in trying to dismantle a huge amount of regulations and taxes which make business slow and difficult in many cases. Although it started a few months ago to eliminate some of these barriers, much more is expected to come. To date, the changes affecting beef exports were:

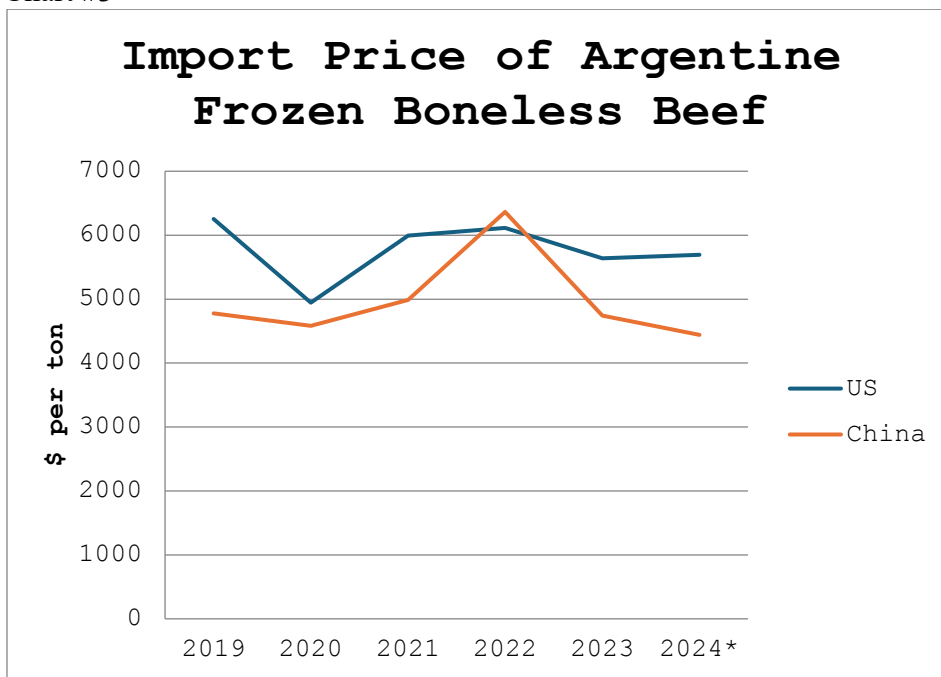
- The repeal of Decree 911 of 2021 which prohibited the exportation of seven popular beef cuts to take pressure off domestic retail beef prices. As of January 2024, it opened the potential to export 60 - 80,000 additional tons of beef, mostly chuck and top sides, two cuts well in demand in foreign markets. In addition, local meat packers are now eligible to export beef from lower-quality cows, previously prohibited.
- On August 2024, through Decree 697/2024, the government eliminated export taxes on beef coming from cows (does not apply to beef from other categories such as steers or heifers).
- Under this same decree, the government reduced export taxes on the rest of chilled and frozen beef products by 25 percent, taking the export tax from 9 percent to 6.75 percent. The export tax on processed beef products was reduced to 3.25 percent.

To further expand exports, industry contacts indicate the focus has to be put in improving quality, marketing and product positioning, as well as providing certification for sustainable production, and animal welfare. Some cattlemen, feedlots, and industry are already working on these aspects. Argentine beef is a premium product due to its production in a environmentally friendly manner and to the high quality of the cattle with majority of British breeds in the temperate central area and their crosses with Brahman in the northern, harsher areas. Argentina is slowly starting to move away from exporting “commodity-industrial” beef cuts to higher-priced niche markets around the globe. This will take time but there are strong signals that this is in fact happening. Competing in volume and price with Brazil is way too difficult.

China is forecast to continue to be the largest market (measured in volume) as it has been in the last 10 years, although with the new methodology in place to measure exports, its significance is reduced considerably. Low prices in China are forcing exporters to look for alternative and more lucrative destinations. Most exporters in the region hope that the recent timid upward price reaction in this market consolidates in 2025, especially if Brazil begins with the reversion of their cattle cycle. The final volume to China will depend on the price arbitrage vis-à-vis the U.S. market, which currently imports many similar beef cuts/products from Argentina. The main products imported from Argentina in both countries are frozen forequarter beef blocks, 85-95 percent chemical lean (CL). Other typical cuts China imports are shin shank, round cuts and bone in flank. Almost all beef is exported frozen, although lately some meat packers are testing exports of chilled cuts. Premium cuts or grain-fed beef shipments are very small, having to compete with Australian and US products which are well established. Roughly 70-80 percent of beef exports to China come from cows.

The chart below shows average import prices for frozen boneless beef from Argentina. In both cases the source of the information is the official statistical service of the United States and of China.

Chart #3



Source: Post with TDM data

\* Through June 2024

Exports to the US in 2025 are forecast to continue to be strong as most exporters believe current market conditions in that market could remain unchanged. The total volume will depend in large part by the prices paid by Chinese importers for similar products. In 2024, beef exports to the United States increased noticeably as local meat packers found a better market there than in a price-depressed Chinese market. Argentine beef can enter the United States under a yearly low tariff rate quota (TRQ) of 20,000 tons, product weight. Exports outside the quota pay 26.4 percent. In 2024 the TRQ is expected to be fulfilled, and a significant volume will be shipped outside the quota. Exporters project a similar pattern

for 2025. The main product exported to the United States is frozen forequarter boneless beef blocks, 85-95 percent CL. Exports of beef trimmings declined abruptly as exporters prefer not to run sanitary risks at the border. Exports of chilled and frozen top sides is a mature and stable market, which currently is good business if exported under the TRQ, but if exported outside the quota it is on par with what Chinese importers pay. The same is the case for frozen round cuts. Due to the firm prices paid in the United States, Argentina is finding niche markets for chilled cuts such as cube rolls and strip loins. Kosher cuts are also increasing, as well as natural and organic cuts. Local meat packers note that there are currently many inquiries and visits from U.S. beef distributors interested in exploring the importation of beef in order to source products at lower prices than what they can currently find domestically.

Israel is forecast to continue being a major destination for Argentine beef, with firm prices and volumes. There are approximately 18 local plants eligible for export and this market currently represents one of the most profitable businesses for local plants. Israel historically imported kosher frozen boneless forequarter cuts, but lately it has been incorporating a diversity of cuts such as strip loins, tenderloins, ribeye and cap of rump. Currently 60 percent of the exports are chilled beef and the rest frozen. Last April Argentina became eligible to export bone-in beef to Israel. The first cargoes took place in June, and exports in July totaled 121 tons, mostly frozen flanks and cube rolls.

The European Union is projected to continue to be a major market in 2025 primarily because it imports high-priced premium chilled cuts. These are mostly shipped under the 29,389 ton Hilton Quota assigned to Argentina and the participation of the High Quality Beef Quota (HQBQ) for grain fed beef which continues to diminish with the exception of beef from the United States. The Hilton quota is typically filled with chilled rump and loins and also top sides. The HQBQ was originally filled with a diversity of cuts, but as the volume gets smaller, exporters prefer to ship higher-priced rump and loins and round cuts only. On January 1, 2025, the EU will implement the new deforestation regulation (Regulation 2023/1115) by which suppliers shipping agricultural products need to certify that their products come from areas which were not deforested after 2020. Most Argentine beef exports are said to be in condition to comply with the regulation, but need to come up with a certifying methodology. Many exporters are working privately to meet such demand, but there are still doubts on how the EU will implement the importation and certification.

Chile is projected to continue to be an important market for Argentine beef in 2025, although Paraguayan and Brazilian beef are very well established in that market. Exports are practically the full set, boneless and chilled. Chile requires that the beef has to come from steers and/or heifers.

Exports to Brazil are forecast to continue to be significant, although some players are encountering some difficulties to enter the market. The main cut exported is chilled or frozen cap of rump, a very popular cut there. There are also some exports for niche markets of cube rolls and rib eyes. Imports can be made intercompany of the several Brazilian groups operating in the country and meat distributors.

Mexico is a new market for Argentine beef, with the first small shipment exported in March 2023. Exports in the past 12 months have totaled 5,000 tons, mostly composed of frozen beef blocks and chilled cuts. Exporters are exploring the different ways and players which operate in this market.

The first exportation to Canada, since basically 2013, took place last June. Local exporters believe this market is a good alternative and beef products are practically the same as those shipped to the United



States, with beef blocks being the number one product. Argentina does not have its own TRQ and ships under an 11,809 ton tariff rate quota for other countries.

Exports to the Russian Federation have increased significantly as a result of weak beef prices in China. Prices are quite attractive in this market but there are payment and logistical challenges and only a few packers are eligible for export.

Argentina is working since quite a time to open new markets, especially in South East Asia. After a recent inspection, the Philippines imported last June the first cargo of Argentine beef since 2018. Thailand is open for offal and some small volumes of chilled beef were exported in 2020 and 2021. Malaysia opened in mid-2020 but some certification is yet to be finalized. The opening of the Japanese and South Korean markets are a main objective as shown with a recent visit of the Argentine Secretary of Agriculture, but no significant advances were reported for beef exports. Other markets which Argentina should also be focused on are Middle East and North African countries. The current government is actively working with the National Animal Health Service and the private sector to expand markets and open new opportunities for Argentine beef.

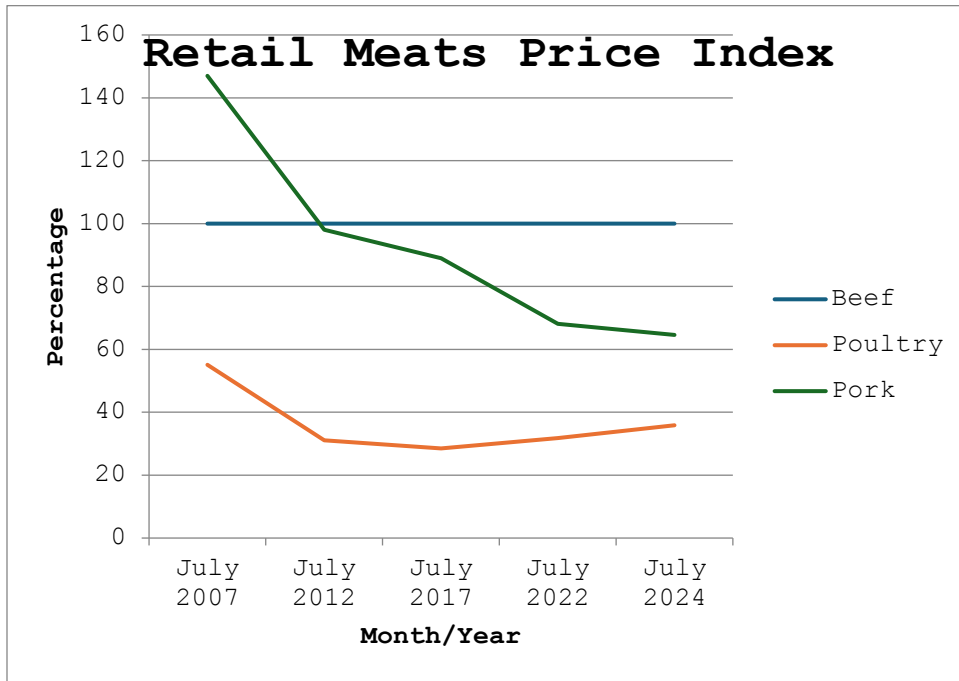
## **Consumption**

Argentine beef consumption in 2025 is forecast at 2.3 million tons cwe, 1.5 percent higher than in the past year, as a result of expected bigger supplies which would result in larger consumption and exports. The efforts of the new government to reduce very high inflation is currently causing a strong economic recession, but most local economists predict a gross domestic product growth of 3.0-3.5 percent in 2025, with a stronger purchasing power which would encourage greater overall consumption.

Based on information published by the Bolsa de Comercio de Rosario, per capita beef consumption in 2024 is estimated at approximately 45 kilos, the lowest in the past 110 years. Consumption 24 years back was 65 kilos per capita. This declining trend is forecast to continue in the future, as a result of competition from very price-competitive poultry and an expected continued expansion of pork production and consumption. Analysts project that per capita beef consumption could drop an additional 4-6 kilos in the next decade or so.

The chart below shows the variation of retail poultry and pork prices vis-à-vis beef prices on given dates (in 5 year tranches). Because of the very high inflation suffered in Argentina in the past 15 years we did not use price quotes. The chart is self-explanatory and illustrates why beef per capita consumption in Argentina has been dropping strongly in the recent past. Early on in this series, beef faced strong competition from a growing and efficient poultry sector which cut into the share of beef consumption and more recently it is pork which is growing with very competitive prices and consumers' better awareness and perception.

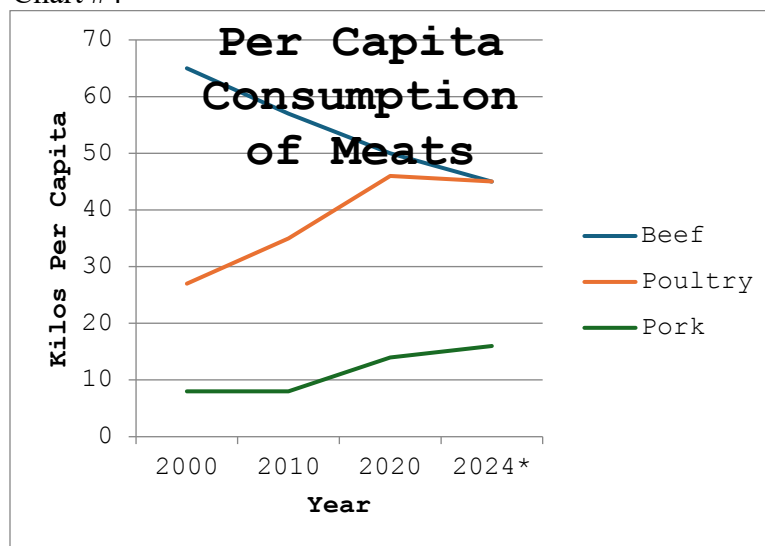
Chart #4



Source: Post with IPCVA data

The chart below shows the per capita consumption dynamics between the three main meats consumed domestically (sheep meat consumption is very small). The Bolsa de Comercio de Rosario projects the total consumption of the three meats in 2024 at 106 kilos per capita, 10 kilos below 2023 which was the highest of the series as a result of large beef supplies due to high slaughter forced by a severe drought. Important to note is that in 2024 and for the first time ever, poultry consumption is on par with that of beef.

Chart #4



Source: Post with Bolsa de Comercio de Rosario data

\* Projected

## Statistical Tables

Animal Numbers, Cattle Market Year Begins Argentina	2023		2024		2025	
	Jan 2023		Jan 2024		Jan 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Total Cattle Beg. Stks</b> (1000 HEAD)	54100	54100	52900	52800	0	53200
<b>Dairy Cows Beg. Stocks</b> (1000 HEAD)	1530	1530	1520	1520	0	1520
<b>Beef Cows Beg. Stocks</b> (1000 HEAD)	21460	21460	20880	20880	0	21000
<b>Production (Calf Crop)</b> (1000 HEAD)	14600	14700	14700	14800	0	14800
<b>Total Imports</b> (1000 HEAD)	0	0	0	0	0	0
<b>Total Supply</b> (1000 HEAD)	68700	68800	67600	67600	0	68000
<b>Total Exports</b> (1000 HEAD)	0	0	0	0	0	0
<b>Cow Slaughter</b> (1000 HEAD)	7000	7000	6200	6400	0	6500
<b>Calf Slaughter</b> (1000 HEAD)	0	0	0	0	0	0
<b>Other Slaughter</b> (1000 HEAD)	7500	7500	7100	7100	0	7300
<b>Total Slaughter</b> (1000 HEAD)	14500	14500	13300	13500	0	13800
<b>Loss and Residual</b> (1000 HEAD)	1300	1500	800	900	0	1000
<b>Ending Inventories</b> (1000 HEAD)	52900	52800	53500	53200	0	53200
<b>Total Distribution</b> (1000 HEAD)	68700	68800	67600	67600	0	68000
(1000 HEAD)						
OFFICIAL DATA CAN BE ACCESSED AT: <a href="#">PSD Online Advanced Query</a>						

Meat, Beef and Veal Market Year Begins Argentina	2023		2024		2025	
	Jan 2023		Jan 2024		Jan 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Slaughter (Reference)</b> (1000 HEAD)	14500	14500	13300	13500	0	13800
<b>Beginning Stocks</b> (1000 MT CWE)	0	0	0	0	0	0
<b>Production</b> (1000 MT CWE)	3300	3280	3050	3100	0	3175
<b>Total Imports</b> (1000 MT CWE)	3	3	1	1	0	2
<b>Total Supply</b> (1000 MT CWE)	3303	3283	3051	3101	0	3177
<b>Total Exports</b> (1000 MT CWE)	882	771	950	820	0	860
<b>Human Dom. Consumption</b> (1000 MT CWE)	2421	2512	2101	2281	0	2317
<b>Other Use, Losses</b> (1000 MT CWE)	0	0	0	0	0	0
<b>Total Dom. Consumption</b> (1000 MT CWE)	2421	2512	2101	2281	0	2317
<b>Ending Stocks</b> (1000 MT CWE)	0	0	0	0	0	0
<b>Total Distribution</b> (1000 MT CWE)	3303	3283	3051	3101	0	3177
(1000 HEAD) ,(1000 MT CWE)						
OFFICIAL DATA CAN BE ACCESSED AT: <a href="#">PSD Online Advanced Query</a>						

## Attachments:

No Attachments