

Cattle



August Monthly Update



Bendigo Bank
Agribusiness



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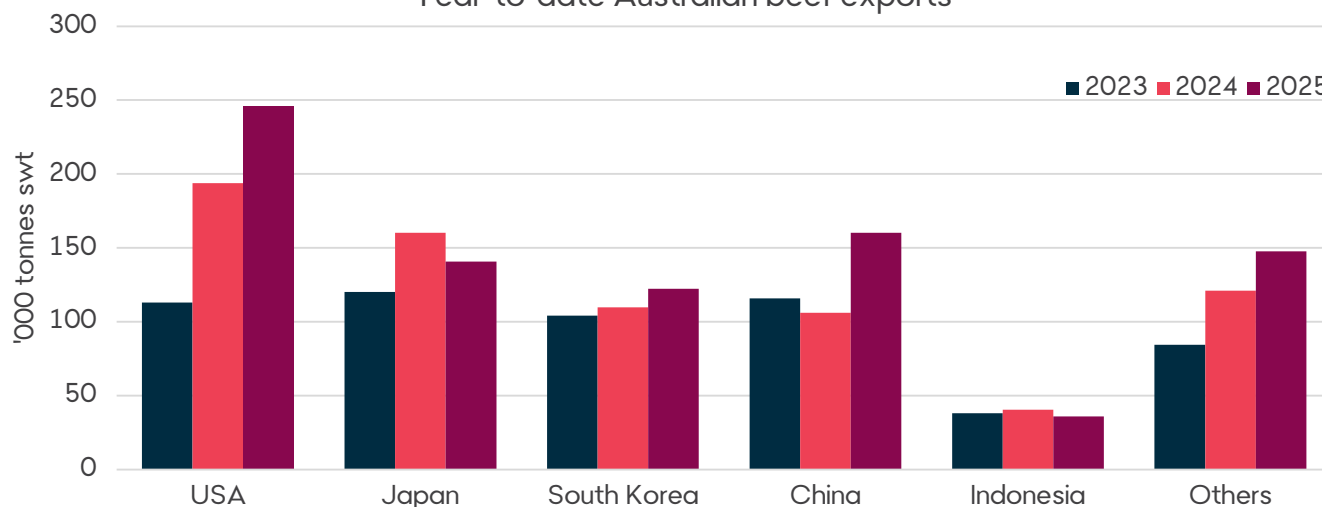
Key Watchpoints – August

- The United States will most likely see a reduction of supply from three of their top four import markets in August – where will they source their beef?
- Australia's beef export volumes ballooned to new records – will this continue in August?

Appetite for Australian beef continues to soar throughout July

Australian beef exports have seen an extraordinary year so far and July was no exception, recording the highest monthly export volumes on record at just under 150,500 tonnes. This has broken the previous highest monthly volume which was recorded in June this year and highlights the significant level global demand for Australian beef products is now at. All of Australia's major export markets recorded growth in July. Japan saw their strongest import month of Australian beef since July last year at just over 23,000 tonnes. Export volume to the United States has ballooned up to a touch over 43,000 tonnes, the highest point since last October. China has also seen moderate growth to sit at 31,000 tonnes this past month which is 90 per cent greater than this time last year. South Korea also saw one of their largest purchasing months of Australian beef at just under 21,000 tonnes. Australian beef is a hot commodity right now with plenty of international demand that is expected to remain across 2025.

Year-to-date Australian beef exports



Source: MLA



Australian cattle prices soar through July

Local Australian cattle prices have seen a tremendous boost throughout July. The National Young Cattle Indicator lifted 24 per cent month-on-month and sits 26 per cent higher than a year ago. Presently sitting at 441c/kg, this is now above the five-year average.

Strong export demand, in particular from the United States, has seen processing centres keep very busy at saleyards. Many saleyards are reporting seeing southern processing centres moving north to purchase stock. The recent rainfall has also encouraged some increased restocker demand not seen earlier in the year. In addition to this, plenty of reports of weather issues preventing greater numbers of cattle coming to market has also applied upwards pressure on prices.

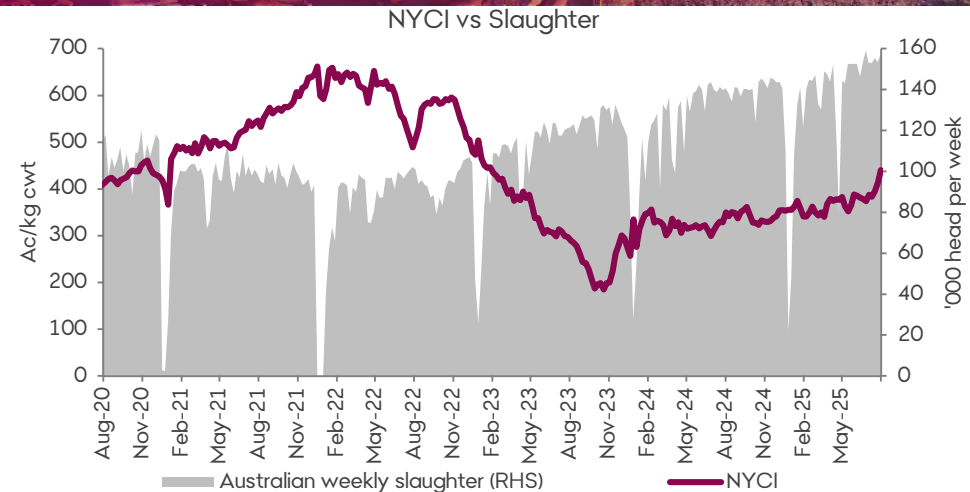
The outlook for cattle prices points to a marginal increase through August. The latest BOM forecast shows an above average chance of median rainfall across most cattle regions which could entice even more restocker demand heading into the back half of 2025 and result in further price rises.

What's happening with tariffs on Aussie beef? We make sense of it all

The United States President Donald Trump has announced a new tariff schedule. The President has kept the 10 per cent tariff on Australian beef for the time being, however, he has also hinted that going forward he may increase the base level tariff up to anywhere from 15-20 per cent.

The 10 per cent tariff on Australian beef so far has not been directly impacting export volume or price. As of the 1st of August, the US 90CL price has now broken its previous record, sitting at 1119.9c/kg, having lifted significantly over the previous four months.. US export volume has continued to increase this year with year-to-date exports sitting 27 per cent higher than 2024. This shows just how in demand Australian beef is for US buyers

Recent USDA beef production forecasts indicate that US beef production is set to see year-over-year declines in 2025 and 2026, and with the 50 per cent tariff on Brazilian imports, export demand is not expected to shift lower anytime soon.



The US herd and where production is going

The recent USDA forecasts are showing US beef production to fall in 2025 and 2026. Current estimates show a three per cent decline in 2025 when compared to 2024, which can already be seen in their imports. US beef imports have surged in 2025, however the very intriguing component is the source. Australia had contributed 20 per cent to total US beef imports at this point last year. This proportion has remained similar this year. What has changed is Brazil and Canada. Brazil has skyrocketed to 27 per cent of total imports now, whereas in 2024 they were 17 per cent. Canada has dropped from 23 per cent to 16 per cent. This will be a fascinating watch, as Brazil imports tumbled in July to 9,700 tonnes (down from 47,800 in April) as the market prepares for the new tariff.

Does this mean their demand for Australian beef will skyrocket now? Most likely, as Canada is battling its own reduced herd due to drought conditions and Brazil has a 50 per cent tariff. It is a wait and see approach over the next few months, but where the US will source their beef will be very intriguing. Could Brazilian beef be exempt from the 50 per tariff? Time will tell. The US has also reinstated their ban on Mexico's cattle due to findings of New World Screwworm. That is now three of their top five import markets affected due to tariffs, a reduced herd or disease. This presents even greater opportunities for Aussie producers as the US looks to satisfy their own domestic demand with expected falling beef production.

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