

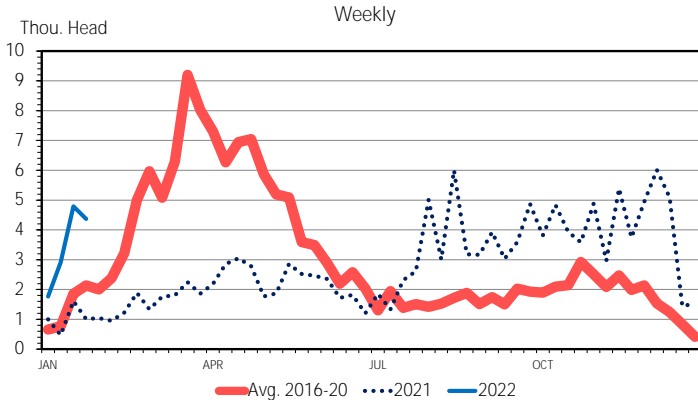
Cattle flows in North America are developing once again—some atypical patterns. Last year Canada starting about mid-year shifted to exporting significantly higher volumes of feeder cattle to the U.S., and outpaced 2020 by about 25,600 thousand head, a 22% increase. Early in 2022 that trend is continuing with the early weeks of the year about 3 times higher than 2021 volumes. Canada’s cattle on feed numbers, however, are not down, but were 12% higher on January 1, 2022. Canada has been battling significant drought in the Prairie Provinces which is very

likely playing a key role in sending feeder cattle south. The North American Drought Monitor is [here](#).

Mexico, too has changed cattle flows in and out of the U.S. The U.S. last year shipped about 54,800 head of beef cattle to Mexico a 3.5 fold increase compared to 2020. January numbers have continued that trend. The weekly data shows beef cattle exports to Mexico are up 117%, or 10,800 head compared to 2021. USDA FAS expects Mexico to expand its beef production in 2022, sighting improved cattle productivity through genetics. Mexico has also invested resources into cold chain infrastructure, particularly along the U.S. border which will help support higher trade volumes. The U.S. in the last year has been importing larger volumes of beef from Mexico, which helped boost total beef exports from Mexico.

Mexico’s cattle industry is expected to continue to march toward more global presence. USDA FAS forecasts beef production in Mexico is expected to expand 3.3% in 2022. The export forecast for beef products is over 10% gains in 2022, largely due to tight beef supplies globally. Last year, the U.S. saw less feeder cattle move north, about a 25% reduction from 2020. The first few weeks of 2022 show similar declines. More cattle may remain in Mexico as cattle prices remain high. USDA FAS noted in their August GAIN report that “In late 2021, Mexico’s Secretariat of Agriculture (SADER) will assume full administrative authority over the National Confederation of Cattlemen Associations (CNOG)’s national traceability program for cattle (SINIIGA).” USDA noted this is expected to benefit Mexico’s feedlot operators and may have expand exports into new markets. Historically, Mexico has had to import a significant portion of its feed inputs for the livestock sector, which could limit expansion in beef production long term.

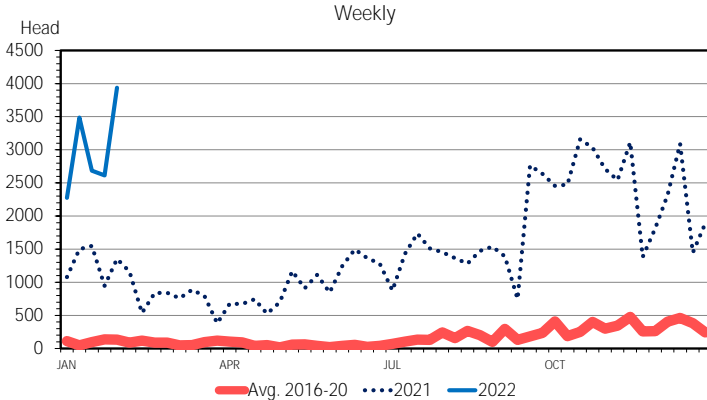
FEEDER CATTLE IMPORTS FROM CANADA



Data Source: USDA-AMS & USDA-APHIS
Livestock Marketing Information Center

02/19/22

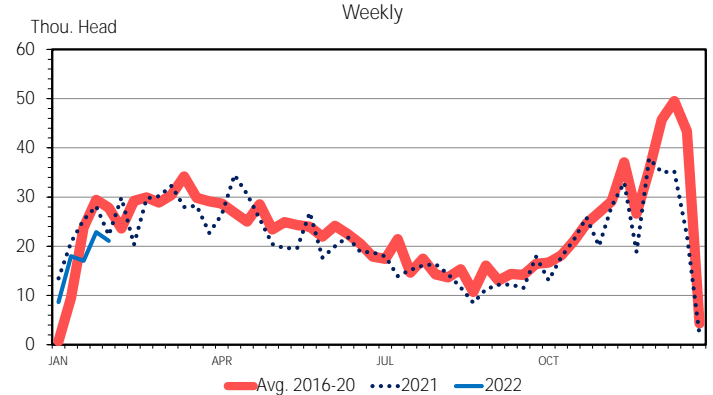
BEEF CATTLE EXPORTS TO MEXICO



Data Source: USDA-AMS & USDA-APHIS
Livestock Marketing Information Center

02/10/22

FEEDER CATTLE IMPORTS FROM MEXICO



Data Source: USDA-AMS & USDA-APHIS
Livestock Marketing Information Center

02/10/22

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