International Trade Considerations for the Industry

Range Beef Cow Symposium XXI

Casper, Wyoming
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LMIC
Livestock Marketing
Information Center

Participating States
Livestock Marketing Information Center

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Trade Considerations

- The Big Picture – Population, Income, Trade and Cattle Numbers
- Value of Trade to the U.S. Beef Industry
- Economic Conditions and Exchange Rates
- More on By-products
- More on Cattle and Beef Trade
- COOL, Traceability, Phytosanitary, Implants, Etc.

USDA Data Sources – FAS, ERS, AMS and NASS
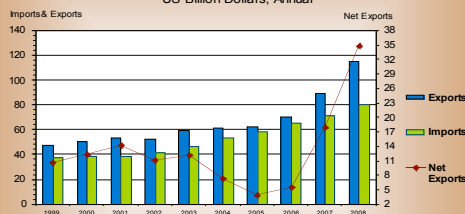Most Forecasts -- LMIC

The Big Picture

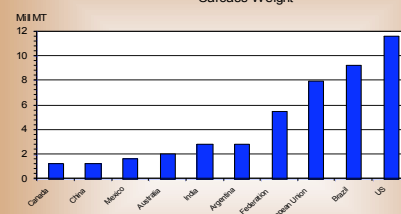## Population, Income, Trade & Cattle Numbers

- Rate of population growth slowing, still by 2050 the projection by U.S. Bureau of Census is for 33% more people worldwide.
- Top 5 Most Populated Countries in 2050
  - India – 1,656 Million
  - China – 1,424 Million
  - U.S.A. – 439 Million
  - Indonesia – 313 Million
  - Ethiopia – 278 Million
- To meet basic needs plus growing incomes animal protein consumption will need to double by 2050 (Economist Nov 21, 2009)
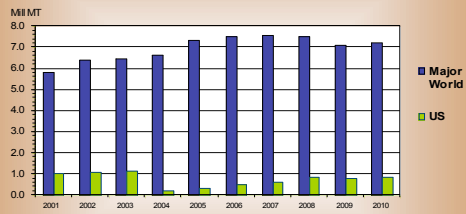

AGRICULTURAL TRADE
US Billion Dollars, Annual

Imports & Exports   Net Exports

- Exports
- Imports
- Net Exports

Data Source: USDA-FAS and ERS; Compiled by LMIC

2010 BEEF AND VEAL PRODUCTION
Carcass Weight

Mil MT

Canada, China, Mexico, Australia, India, Argentina, Russian Federation, European Union, Brazil, US

Data Source: USDA-FAS and ERS; Compiled by LMIC

BEEF EXPORTS: MAJOR WORLD
Carcass Weight, Annual

Mill MT

Major World
US

Data Source: USDA-FAS and ERS; Compiled and Forecasts by LMIC

CANADA CATTLE INVENTORY
July 1, Annual

Mil. Head (Cows & Heifers)
Mil. Head (Total)

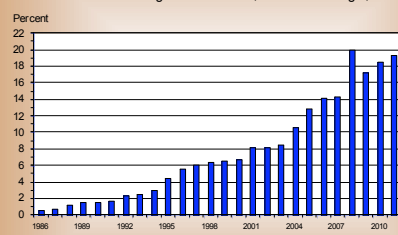Beef Cows
Beef Heifer Replacements
Total Cattle Inventory
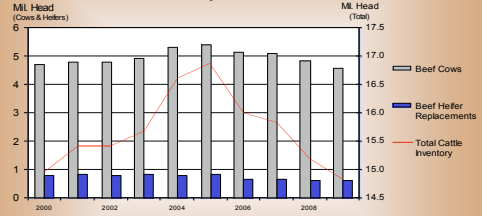
Data Source: Statistics Canada and Compiled by LMIC

U S BEEF AND VEAL EXPORTS
As a Percentage of Production, Carcass Weight, Annual
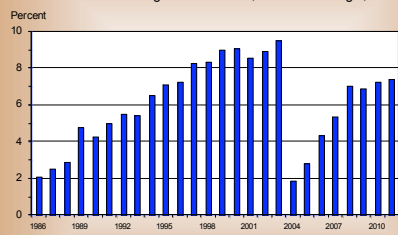
Percent
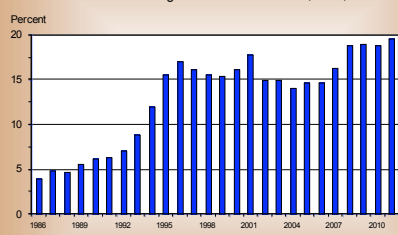
Data Source: USDA-FAS and ERS; Compiled and Forecasts by LMIC

U S PORK EXPORTS
As a Percentage of Production, Carcass Weight, Annual

Percent
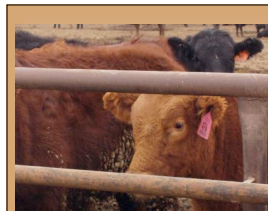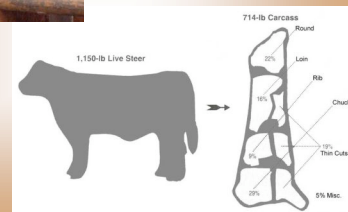
Data Source: USDA-FAS and ERS; Compiled and Forecasts by LMIC

U S BROILER EXPORTS
As a Percentage of Broiler Production, RTC, Annual

Percent
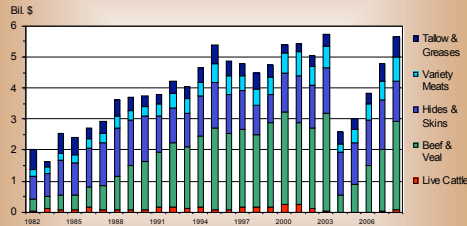
Data Source: USDA-FAS and ERS; Compiled and Forecasts by LMIC

Value of Trade

1,150-lb Live Steer

714-lb Carcass
Round
Loin
Rib
Chuck
Thin Cuts
Misc.

U S BEEF INDUSTRY EXPORT VALUES
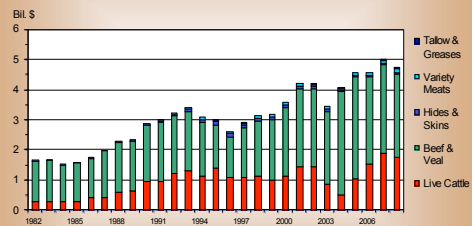Annual

Bil. $

Data Source: USDA-FAS; Compiled and Analysis by LMIC

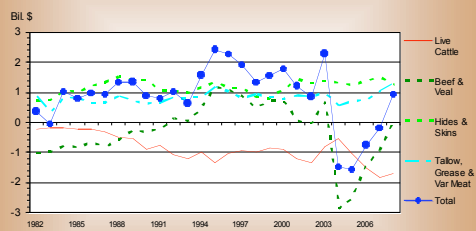**U S BEEF INDUSTRY IMPORT VALUES**
Annual

Bil. $

Data Source: USDA-FAS; Compiled and Analysis by LMIC
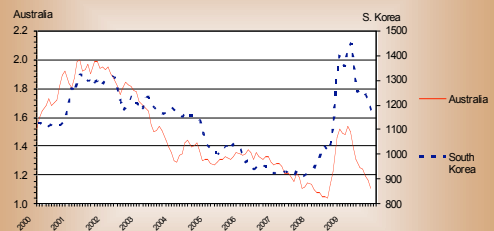

U S BEEF INDUSTRY NET EXPORT VALUES
Annual

Bil. $
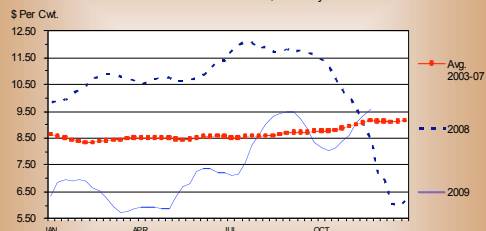
Data Source: USDA-FAS; Compiled and Analysis by LMIC

EXCHANGE RATE
US Dollar base, Monthly

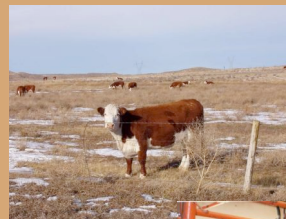Australia   S. Korea

Data Source: Pacific Exchange Rate Service, Univ. of B.C., Compiled by LMIC
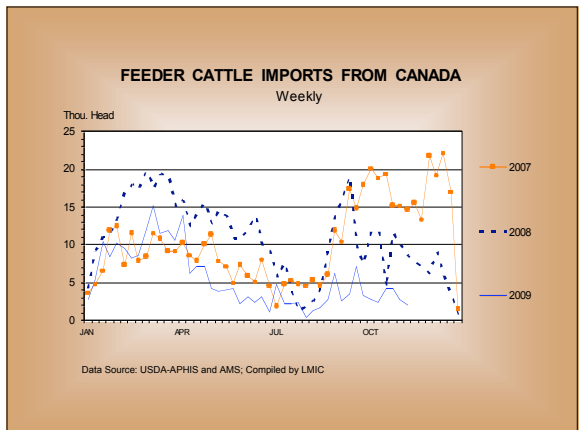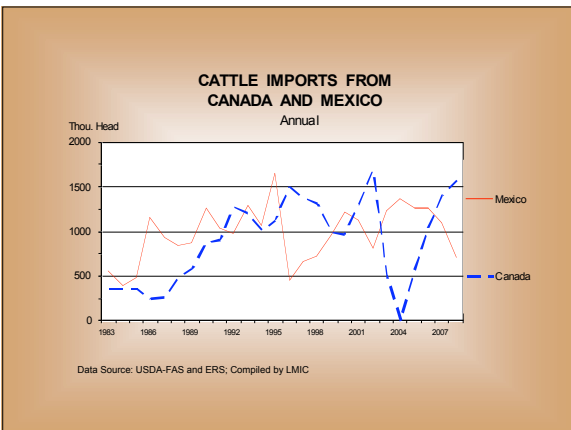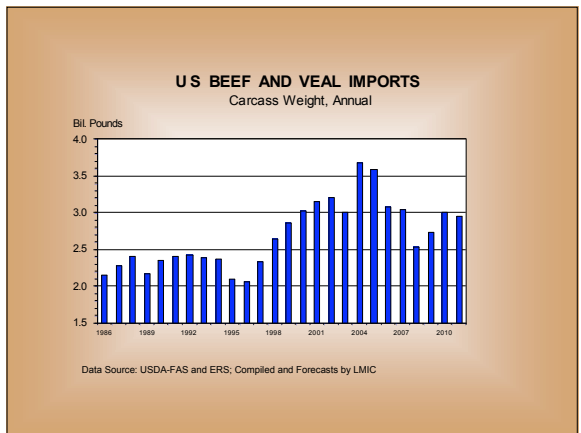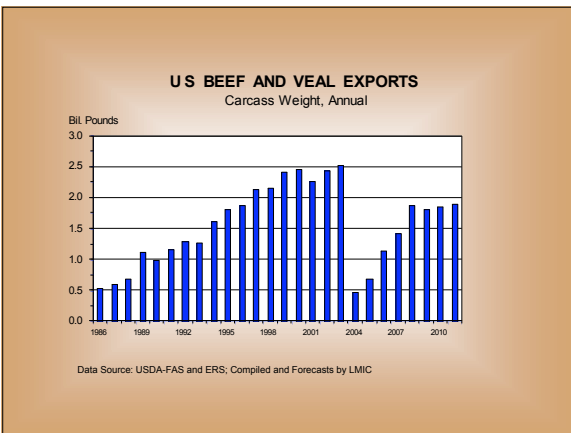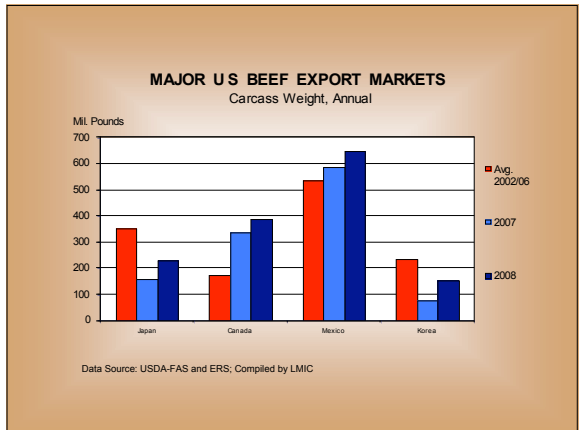

STEER HIDE AND OFFAL VALUE
Live Animal Basis, Weekly

$ Per Cwt.

Data Source: USDA-AMS and Compiled by LMIC

More on Cattle & Beef Trade

U.S. EXPORTS OF BEEF MUSCLE CUTS
Weekly

1000 MT

Legend: Canada, Japan, Mexico, Korean Rep.

Data Source: USDA-FAS and Compiled by LMIC

MAJOR U S BEEF EXPORT MARKETS
Carcass Weight, Annual

Mil. Pounds

Legend: Avg. 2002/06, 2007, 2008

Categories: Japan, Canada, Mexico, Korea

Data Source: USDA-FAS and ERS; Compiled by LMIC

U S BEEF AND VEAL EXPORTS
Carcass Weight, Annual

Bil. Pounds

Data Source: USDA-FAS and ERS; Compiled and Forecasts by LMIC

U S BEEF AND VEAL IMPORTS
Carcass Weight, Annual

Bil. Pounds

Data Source: USDA-FAS and ERS; Compiled and Forecasts by LMIC

CATTLE IMPORTS FROM CANADA AND MEXICO
Annual

Thou. Head

Legend: Mexico, Canada

Data Source: USDA-FAS and ERS; Compiled by LMIC

FEEDER CATTLE IMPORTS FROM CANADA
Weekly

Thou. Head

Legend: 2007, 2008, 2009

Data Source: USDA-APHIS and AMS; Compiled by LMIC

FEEDER CATTLE IMPORTS FROM MEXICO
Weekly
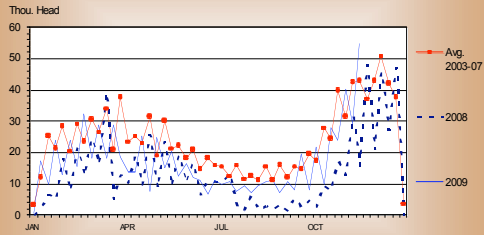
Thou. Head

- Avg. 2003-07
- 2008
- 2009

Data Source: USDA-APHIS and AMS; Compiled by LMIC

U S BEEF, VEAL & LIVE CATTLE NET IMPORTS
From Canada, Animal Equivalents, Monthly

Thou. Head

- Avg. 2003/07
- 2008
- 2009

Data Source: USDA-FAS; Compiled and Analysis by LMIC

U S BEEF, VEAL & LIVE CATTLE NET IMPORTS
Animal Equivalents, Monthly

Thou. Head

- Avg. 2003/07
- 2008
- 2009
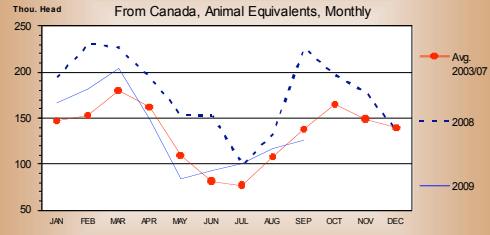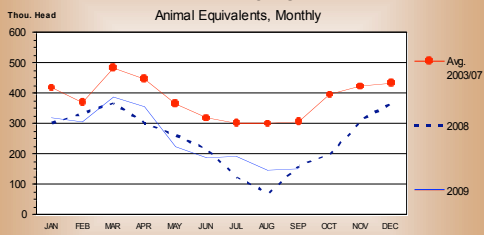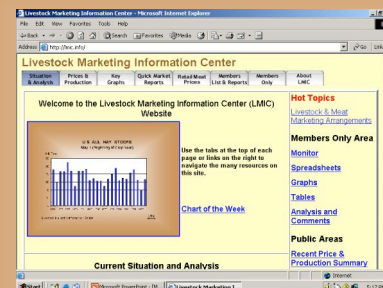
Data Source: USDA-FAS; Compiled and Analysis by LMIC

COOL, Traceability, Phytosanitary, Etc

Comments– COOL, Traceability, Etc.

- Of the Three Major Market Shocks this Decade (9-11-2001, BSE in late 2003, October 2008 Credit Crisis), Two Had Major Trade Impacts on Cattle Prices
- COOL – Trade Issue is "Substantial Transformation"
- Traceability – Niche and High Value vs Commodity Beef
- Phytosanitary (BSE, H1N1) – Trade Barriers Of Choice
- Trade with Europe (implants)
- Trade with Japan (premiums for under 21 months of age)
- Foreign Markets Will Be?
- Building Foreign Demand Takes Effort

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Thank You!