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## **Sept. pork exports regain momentum, beef exports struggling**

**By Agri-Pulse Staff**

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September pork plus pork variety meat exports reached nearly 154,000 metric tons (339.5 million pounds) valued at \$347.8 million, the highest volume since April 2009, according to statistics from USDA compiled by the U.S. Meat Export Federation (USMEF).

September beef plus beef variety meat exports were down slightly from August, with the January-September cumulative total falling further behind last year's pace, as beef exports continue to struggle amid market access restrictions and difficult global economic conditions. (Statistics refer to pork plus pork variety meat and beef plus beef variety meat exports, unless otherwise indicated.)

### **Pork exports still trail 2008, but close third quarter with positive momentum**

While January-September pork exports contain significant bright spots - including a continued strong performance in Mexico and Japan as well as renewed strength in Canada, Russia and the Greater China region - they trail last year's record pace by 11 percent in volume (1.366 million metric tons or 3.01 billion pounds) and 12 percent in value (\$3.195 billion).

Mexico's September volume surpassed September 2008 by nearly 37 percent, putting Mexico's January-September export volume at 369,376 metric tons (814.3 million pounds) valued at \$547.7 million - an increase of 38 percent and 15 percent, respectively, over the first three quarters of 2008.

"It has been a remarkable year for U.S. pork in Mexico, especially when you consider the disruption we experienced in April and May due to H1N1 influenza," said USMEF President and CEO Philip Seng. "USMEF worked successfully during this time to maintain our market access in Mexico and then focused on rebuilding consumer confidence and demand. It is very gratifying to see these efforts paying off and to see the market respond so well to our product."

The value of U.S. pork exports to Japan increased by 3 percent to \$1.17 billion and, with a strong fourth-quarter performance, pork exports to Japan could surpass last year's record value of \$1.55 billion. Pork export volume to Japan (319,297 metric tons or 703.9 million pounds) is only slightly behind its 2008 pace.

“U.S. pork continues to break new ground in Japan, despite the fact that Japan’s domestic pork production has increased nearly 6 percent this year,” Seng said. “Our processed items, for example, are growing dramatically in this market. Exports of U.S. sausage to Japan have increased by more than 25 percent this year.”

September pork exports to Canada set a new monthly volume record (17,669 metric tons or 38.9 million pounds) – jumping 37 percent from August and surpassing last September’s total by 11 percent. Cumulative pork exports to Canada trail their 2008 pace by 2 percent in volume and 9 percent in value.

September pork exports to Russia more than doubled their August volume and value, and reached the second-highest total (to July) of the year at 17,637 metric tons (38.9 million pounds) valued at \$34.9 million.

Exports to the China/Hong Kong region achieved their highest volume (20,569 metric tons or 45.3 million pounds) since April, despite the continued suspension of U.S. pork exports into mainland China. Exports to Taiwan set a monthly record in September (5,790 metric tons or 12.8 million pounds valued at \$9.28 million), due in part to the impact of the recent typhoon on domestic production.

Other markets showing gains over 2008 include Australia (up 25 percent in volume and 23 percent in value), the Philippines (up 17 percent and 14 percent), the Caribbean (up 33 percent and 26 percent), and Central and South America (up 14 percent and 18 percent). U.S. pork exports to all of these markets are expected to set new records this year.

#### **Market access issues, sluggish variety meat demand hamper beef exports**

September beef plus beef variety meat exports were down 25 percent in volume and 34 percent in value from September 2008, bringing the cumulative total for the year to 660,459 metric tons (1.46 billion pounds) valued at \$2.28 billion. This is 12 percent below last year’s pace in volume and 17 percent lower in value.

USMEF attributes much of the decline to the weak global market for beef variety meat, as January-September variety meat exports of 214,717 metric tons (473.4 million pounds) valued at \$378 million trail last year’s totals by 22 percent in volume and 39 percent in value. Muscle cut exports have fared better, but still trail their 2008 pace by 6 percent in volume and 11 percent in value.

Beef exports to Japan (69,945 metric tons or 154.2 million pounds valued at nearly \$360 million) are 22 percent higher in volume and 21 percent higher in value than last year. September exports continued to outperform 2008, but at a slightly slower pace due to the seasonal decline in availability of slaughter-ready cattle under 21 months of age.

“We are encouraged by the demand U.S. beef is generating in Japan, and the fact that importers, retailers and consumers are clamoring for our product,” Seng said. “But this surge in demand further highlights the need for expanded access in the market if we are going to fully rebuild the presence of U.S. beef in Japan.”

Taiwan, where U.S. beef exports had been slumping early in the year, continued its rebound in September with exports exceeding September 2008 by 26 percent in volume

and 63 percent in value. These results pulled Taiwan to within 1 percent of the export value achieved in the first three quarters of 2008.

Hong Kong continued its remarkable surge in imports of U.S. beef in September, surpassing the September 2008 total by 88 percent in volume and 74 percent in value. Through September, exports to Hong Kong are up 110 percent in volume and 78 percent in value. September exports to Vietnam were down compared to September 2008, but are still up 23 percent in volume and 30 percent in value for the year.

Encouraging performances in these markets have been offset by declines in Mexico, Canada and Russia. Exports to Mexico are down 28 percent in volume and 36 percent in value compared to the first three quarters of 2008, while exports to Canada are down 10 percent and 15 percent respectively. Exports to Russia have declined by 47 percent in volume and 69 percent in value, with muscle cut exports plummeting nearly 80 percent.

### **Lamb exports strong through September**

U.S. lamb exports closed the third quarter at a very solid pace, fueled by continued strong performance in the Caribbean and a surge in exports to Mexico. January-September lamb plus lamb variety meat exports reached 8,344 metric tons (18.4 million pounds), which already exceeds the volume achieved in the entire calendar year of 2008. The export value of \$21.1 million is 12 percent ahead of last year's pace. Exports of lamb muscle cuts reached \$17 million in value through September, a 7 percent increase over the first three quarters of last year.