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## **CHINA FUELS OCTOBER PORK EXPORTS; BEEF EXPORTS DOWN FROM LAST YEAR**

Ficha de información general



Asociación Mexicana de Veterinarios Especialistas en Cerdos A.C

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Strong demand from China bolstered U.S. pork exports in October, according to data released by USDA and compiled by the U.S. Export Federation (USMEF), while October beef exports were below the very high totals posted a year ago.

October pork exports increased 8.5% year-over-year to 225,376 metric tons (mt), while export value climbed 10% to \$592 million. January-October export volume was 5% ahead of last year's pace at 2.13 million mt, while value increased 3% to \$5.48 billion.

Pork export value averaged \$48.13 per head slaughtered in October, up 4% from a year ago. For January through October, the per-head average was down 1% to \$51.12. October exports accounted for 24% of total U.S. pork production and 20.9% for muscle cuts only, up from 23.6% and 20.7%, respectively, a year ago. January-October exports accounted for 26% of total pork production and 22.6% for muscle cuts, both up slightly year-over-year.

October beef exports totaled 108,017 mt, an 8% decline from last year's large volume, while export value (\$649.1 million) was down 11%. Through the first 10 months of 2019, beef exports were down 2.5% in volume (1.1 million mt) and value (\$6.75 billion) from last year's record pace.

Beef export value per head of fed slaughter averaged \$284.56 in October, down 10% from a year ago, while the January-October average was down 4% to \$308.04. October exports accounted for 12.9% of total U.S. beef production and 10.5% for muscle cuts only, down from 14.1% and 11.6%, respectively, last year. For January through October, exports accounted for 14.1% of total beef production and 11.5% for muscle cuts, each down about one-half of a percentage point from 2018, when a record percentage of production was exported.

## **October pork standouts: China, Oceania, Central America**

Although still saddled by China's retaliatory duties, October pork exports to the China/Hong Kong region reached 61,062 mt, up 150% year-over-year, while export value climbed 127% to \$141.3 million. For January through October, exports to China/Hong Kong were up 55% in volume (468,576 mt) and 34% in value (\$974.8 million). Exports to the region already exceed the full-year totals of 2018.

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“China’s efforts to rebuild its domestic swine inventory, which has been hit hard by African swine fever, are gaining traction, but there are still excellent opportunities for pork-supplying countries,” said USMEF President and CEO Dan Halstrom. “As U.S.-China trade talks continue, we remain hopeful that access for U.S. red meat in China will return to a level playing field with our competitors.”

Pork exports to Mexico fell below year-ago levels in October, with volume down 18.5% to 54,639 mt and value declining 9% to \$97.3 million — the lowest since April. January-October exports to Mexico were down 11% from a year ago in volume (584,415 mt) and declined 9% in value (\$1.02 billion).

“Increased demand in China is pulling some pork cuts and offal away from Mexico as well as other markets, but October shipments to Mexico were nevertheless disappointing,” Halstrom said. “The U.S. industry is still feeling the effect of Mexico’s retaliatory duties on pork, which were in place for about one year, and rebuilding pork demand in Mexico remains a top priority.”

The outlook for pork exports to Japan in 2020 and beyond brightened significantly this week as the Japanese Parliament ratified an agreement that will bring tariffs on U.S. pork in line with those imposed on major competitors. The tariff disadvantage was evident in October, as pork export volume to Japan was down 16% from a year ago to 29,622 mt and value fell 17% to \$122.3 million. Through October, exports to Japan trailed last year’s pace by 7% in both volume (307,974 mt) and value (\$1.27 billion).

January-October highlights for U.S. pork include:

- Fueled by strong growth in both Australia and New Zealand, pork exports to Oceania are on a record pace in both volume (95,218 mt, up 39%) and value (\$272.9 million, up 37%). The region is an outstanding destination for U.S. hams and other muscle cuts used in further processing.
- Exports to Central America were 16% above last year’s record pace in volume (76,861 mt) and 19% higher in value (\$187 million). Exports to Panama were one-third higher year-over-year and mainstay markets Honduras and Guatemala have both achieved double-digit value growth.

While October export volume to South America slowed slightly from a year ago (13,934 mt, down 2%), value still increased 12% to \$35.9 million. Led by steady growth in Colombia and a strong uptick in demand from Chile and Peru, January-October exports to South America remained on a record-shattering pace at 128,469 mt (up 21% year-over-year), valued at \$323.8 million (up 25%).

## **October beef exports lower year-over-year in most markets**

Tariff relief for U.S. beef is also a key component of the new trade agreement with Japan, where competitors currently enjoy a significant tariff rate advantage. The rate for U.S. beef muscle cuts is 38.5% but will drop by nearly one-third when the agreement enters into force, mirroring the 26.6% rate imposed on Australian, Canadian, Mexican and New Zealand beef. Another rate reduction will come April 1, when the Japanese fiscal year begins. October beef exports to Japan were down 21% in volume (21,315 mt) and 19% in value (\$135.5 million). Through the first 10 months of the year, export volume fell 6% to 263,054 mt while value was down 7% to \$1.64 billion.

“Japan’s 38.5% tariff rate is the highest U.S. beef faces in any major market,” Halstrom explained. “It was a burden even when all suppliers were paying it but now it is especially important that both U.S. beef and pork receive tariff relief. Japanese customers are very excited about the new trade agreement, and USMEF and our industry partners are ramping up 2020 promotions and strategies to reclaim red meat market share in Japan.”

Beef variety meat exports to Japan (mainly tongues and skirts) have been a bright spot in 2019, increasing 21% in volume (53,432 mt) and 13% in value (\$320 million, which is 40% of the worldwide total). Japan’s tariff rate for U.S. beef variety meat is 12.8%, but under the new agreement it will drop to 5.8% for skirts and 5.7% for tongues upon implementation. The rates fall to zero by 2028 for tongues and 2030 for skirts.

U.S. beef exports to South Korea slowed in October but remain on a record pace as Korea solidifies its position as the top growth market for U.S. beef in 2019. October volume dipped 3% year-over-year to 19,637 mt, while value declined 10% to \$138.4

million. But through October, exports to Korea were still up 7% in both volume (215,194 mt) and value (\$1.55 billion).

Beef exports to Taiwan following a pattern similar to Korea, slowing in October but remaining on a record pace. Through the first 10 months of the year, export volume to Taiwan was up 8% from a year ago to 52,968 mt while value increased 3% to \$470.3 million. The U.S. holds nearly 75% of Taiwan's high-value chilled beef market.

January-October highlights for U.S. beef include:

- In Mexico, the third-largest destination for U.S. beef exports, volume was slightly below last year at 196,431 mt (down 1%), but value increased 4% to \$916.4 million. This was largely driven by a sharp increase in the per-unit value of beef variety meat exports to Mexico, most notably tripe. Despite being up just 1% from a year ago in volume (80,789 mt), variety meat value to Mexico jumped 17% to \$219.1 million.
- Similar to Mexico, U.S. beef variety meat is commanding stronger prices in Egypt, the leading destination for U.S. beef livers. Through October, variety meat exports to Egypt were up 1% from a year ago at 53,504 mt but climbed 14% in value to \$62.3 million.
- Led by surging demand in Indonesia and solid growth in the Philippines, beef exports to the ASEAN region were 30% above last year's pace in volume (51,758 mt) and 15% higher in value (\$251.5 million). Split fairly evenly between muscle cuts and variety meat, exports to Indonesia soared 72% in volume (19,889 mt) and 43% in value (\$71.8 million) from a year ago.
- Led by strong growth in Panama, beef exports to Central America were 7% above last year's pace in volume (12,802 mt) and 13% higher in value (\$72.7 million). Export value also trended significantly higher to Guatemala, Honduras and Costa Rica.

October lamb exports trend higher

October exports of U.S. lamb totaled 1,193 mt, up 3% year-over-year, while value increased 17% to \$2.3 million. For January through October, exports were 28%

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above last years pace at 13,254 mt, while value increased 13% to \$21.5 million. Lamb muscle cut exports were 11% below last year in volume (1,801 mt), but still increased 4% in value to \$11.5 million. Mexico has driven lamb export growth in 2019, but other markets showing promise include Trinidad and Tobago, Panama and Guatemala.

Complete January-October export results for U.S. beef, pork and lamb are available from USMEF's [statistics Web page](#).

Monthly charts for U.S. pork and beef exports are also available [online](#).

## **BIBLIOGRAFIA:**

<https://www.usmef.org/news-statistics/press-releases/china-fuels-october-pork-exports-beef-exports-down-from-last-year-2/>

