



## Livestock and Poultry: World Markets and Trade Update

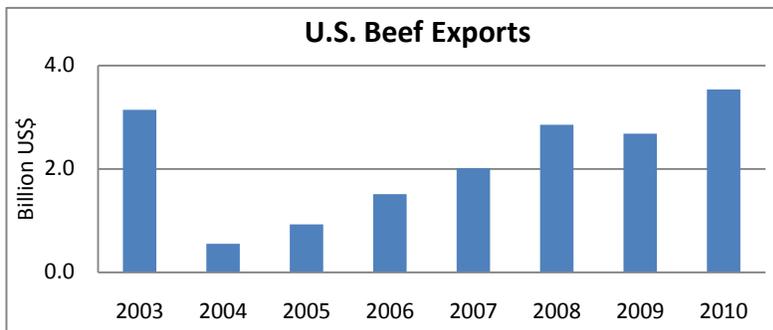
July 13, 2011

### Progress in 2011... But Challenges Continue for U.S. Beef

#### Summary

U.S. beef exports in 2011 are forecast to exceed not only the value but also the volume of 2003 shipments.

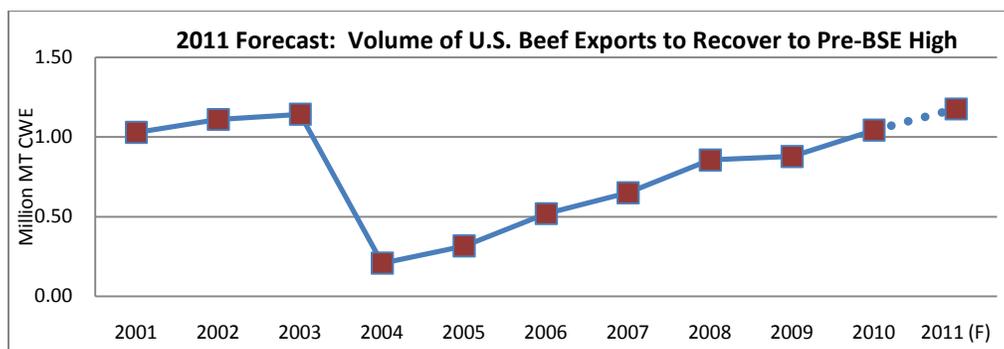
#### Values Recovered in 2010...



U.S. beef exports (excluding variety meats) reached \$3.5 billion in 2010 compared to \$3.1 billion in 2003, the last year of trade before the BSE detection in Washington State. The value of exports has benefited from increasing volumes, but also elevated prices.

#### Volumes Recover in 2011...

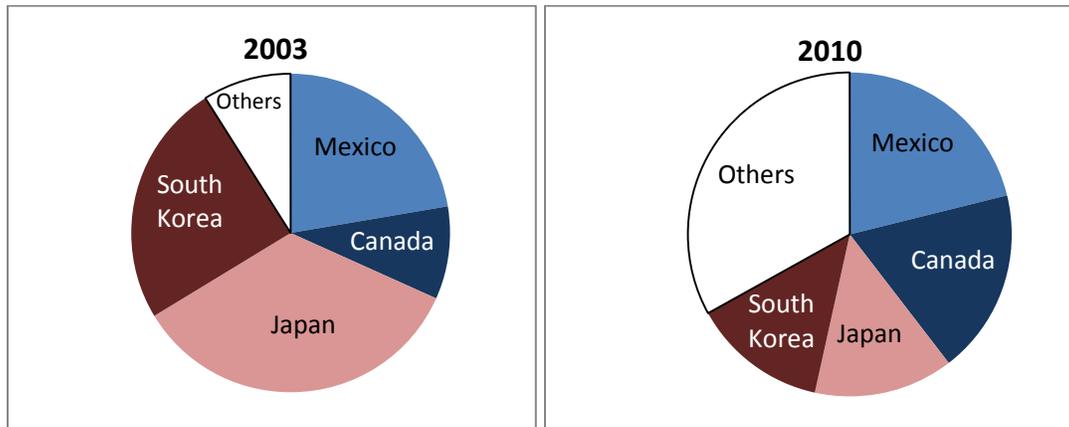
The 2011 U.S. beef export forecast was revised in July to 1.19 million MT<sup>1</sup> which exceeds the 2003 volume (1.14 million MT). The United States is expected to continue to benefit from improved market access, a weak dollar, tight global supplies and strong international demand.



<sup>1</sup> Carcass Weight Equivalent

## Non-Traditional Markets Grow...

Although four markets are responsible for the majority of exports, shipments to “Others” have expanded significantly in recent years as traders have aggressively pursued new markets and opportunities. In particular Taiwan, Hong Kong and Vietnam have become significant destinations.



## However Volumes to Key Asian Markets Remain Elusive...

Volume recovery in two key markets, Japan and South Korea has been constrained by BSE-related restrictions. In 2010, shipments to Japan and South Korea were only 36 and 49 percent, respectively, of 2003 volumes.

## And Challenges Continue.

Looking toward 2012, U.S. beef exports are forecast 4 percent lower, largely due to even tighter cattle supplies. This level is still on par with 2003 volumes and accounts for about 10 percent of U.S. beef production. Further progress on market access and recovery will help spur exports in the coming years, particularly to high value markets such as Japan and Korea, as well as new and potential markets such as Russia and China.

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