

**A LITTLE BIT COUNTRY  
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**U.S. Beef Industry Regains Net Export Status**

In the last ten years, beef and cattle trade between the United States and foreign countries has become increasingly complex with respect to economic and political factors. The U.S. exports just not meat, but also many non-meat items as well as live animals. Understanding all of the export/import numbers of many reports is often difficult, for me anyway. However, Jim Robb, Director of the Livestock Marketing Information Center based in Denver, recently sent a report which analyzes U.S. beef trade. I found it quite easy to follow because his analysis put it in dollar values and categorized trades into categories: 1) Live Cattle and Calves; 2) Beef/Veal, which includes fresh and frozen bone-in, boneless, carcass beef, corned beef, beef sausages, and salted beef; 3) Variety Meats, incorporating all edible offal and meat extracts; 4) Beef Tallow and Greases; and 5) Hides.

Permit me to start with exports. Except for the BSE impacted years, since the 1980's the dollar value of U.S. beef industry exports has continued to trend upward. In 1992, the total export value was about \$4.3 billion with beef/veal at just over \$2.0 billion followed by hides at \$1.15 billion. By 2002, the cattle/beef sector exports totaled near \$5.1 billion with beef/veal accounting for \$2.6 billion of the total. Last year (2011), the value of U.S. cattle and beef exports totaled a record \$8.1 billion, nearly \$2.0 billion higher than 2010. The total value of hide exports was \$1.5 billion, followed by tallow and greases at \$765 million, and variety meats at \$686 million. In addition, live cattle and calf exports were valued at \$376 million, a record as well. Export values for all categories in 2011 were above a year ago as both export volumes and prices were significantly above those of 2010.

The major exports of beef/veal go to Canada, Japan, Mexico, Russia, South Korea, Taiwan and Vietnam. These seven countries accounted for 94% of total beef/veal exports in 1992, but

only 80% in 2011. The decline is the result of continued BSE related trade restrictions in many Asian countries limiting export volumes as well as export demand growth in other foreign markets. For example, in 1992, sales of beef/veal to Japan totaled \$1.13 billion or over half the total export value. This was followed by Canada at \$355 million (17% of total value) with South Korea and Mexico each accounting for 10% of the total value. Last year, U.S. beef/veal sales to Canada surpassed the \$1 billion mark, representing about 21% of the total value of beef/veal exports. Beef/veal exports to Mexico and Japan accounted for about 16% each followed by South Korea with 14% and Russia at 5% of total export value.

Now, for the import figures. In terms of dollar value, U.S. cattle and beef imports have trended upwards during the last 30 years, driven by lean beef products and feeder cattle. In 1992, the total value of U.S. cattle and beef imports was nearly \$3.12 billion, with beef/veal accounting for \$1.8 billion. By 2002, the total import value of cattle and beef had climbed to \$4.2 billion with the value of U.S. beef/veal representing \$2.6 billion. In 2011, the U.S. imported \$4.7 billion worth of cattle, beef and beef products, slightly larger than 2010 and 7% less than the record set in 2007. Beef/veal continued to be the largest category at \$2.9 billion which was slightly higher than 2010's. Despite declines in import tonnage, the lower U.S. dollar value relative to trading partner currencies contributed to a higher beef/veal import value. Last year, cattle and calf imports totaled \$1.5 billion, followed by variety meats at \$143 million, and hides and tallow/greases which were both \$51 million.

The U.S. buys beef/veal from the following countries: Argentina, Australia, Brazil, Canada, Mexico, New Zealand and Uruguay. Those seven countries represented just fewer than 93% of the total value of U.S. beef/veal imports in 1992 and just slightly more than 93% in 2011. The lack of change reflects gains by countries offsetting the losses of others. For example, in 1992 39% of the total value of U.S. imports was accounted for by Australia followed by New Zealand at 27%, Canada at 15%. Last year Canada was the source of 28% followed by Australia at 23% and New Zealand at 22%.

Prior to 2003, the U.S. was a net exporter of cattle, beef and beef products, but due to BSE trade restrictions the U.S. became a net importer in 2004. Not until 2008 did the U.S. return to net exporter status. For 2011, the U.S. net export value was a record \$3.4 billion compared to \$1.8 billion in 2010 and well above pre-BSE values.

2011 was a banner year for the U.S. beef industry. The increase in cattle prices this past year was largely because of new dollars flowing into the industry from overseas consumers. Robb cites a variety of factors including international economic conditions, global cattle supplies and currency exchange rates as having positive impacts on the value of U.S. cattle exports and predicts the U.S. will remain a strong net exporter in 2012.

More details of Robb's analysis can be found on our website [www.ag.ndsu.edu/williamscountyextension](http://www.ag.ndsu.edu/williamscountyextension) as a link to the Livestock Marketing Information Center (LMIC).