A Livestock Sector Crossroads?

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2014 Agricultural Symposium
Kansas City Federal Reserve
July 15-16, 2014
Outline

• Overview of global pork and beef markets
• North American pork and beef markets
• Global trade issues, opportunities and challenges
World Pork Market Situation
Major World Pork Production

MILLION METRIC TONS

Major Pork Producing and Consuming Countries, 2013

<table>
<thead>
<tr>
<th>PRODUCTION</th>
<th>CONSUMPTION</th>
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</thead>
<tbody>
<tr>
<td>1. China</td>
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<td>2. EU-27</td>
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<td>4. Brazil</td>
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<td>5. Russia</td>
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<td>7. Canada*</td>
<td>7. Vietnam</td>
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<td>8. Philippines</td>
<td>8. Mexico</td>
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<td>10. Mexico</td>
<td>10. Philippines</td>
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2013 PORK PRODUCTION
Carcass Weight

Mill MT

Canada  China  Mexico  Vietnam  Philippines  S. Korea  Russian Federation  European Union  Brazil  US

Data Source: USDA-FAS
Livestock Marketing Information Center
World Pork Exports,
Major Exporting Countries

Million Metric Tons

Major Pork Trading Countries, 2013

**EXPORTS**
1. USA
2. EU-27
3. Canada
4. Brazil
5. China
6. Chile
7. Mexico

**IMPORTS**
1. Japan
2. Russia
3. Mexico
4. China
5. Hong Kong
6. USA
7. South Korea
8. Canada
9. Ukraine
10. Australia
PORK EXPORTS
Carcass Weight, Annual

Data Source: USDA-FAS
PORK IMPORTS
Carcass Weight, Annual

Mill MT

<table>
<thead>
<tr>
<th>Country</th>
<th>Import Weight (Mill MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>1.2</td>
</tr>
<tr>
<td>Russia</td>
<td>0.6</td>
</tr>
<tr>
<td>China</td>
<td>0.8</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>0.5</td>
</tr>
<tr>
<td>S Korea</td>
<td>0.4</td>
</tr>
<tr>
<td>Mexico</td>
<td>0.8</td>
</tr>
<tr>
<td>US</td>
<td>0.4</td>
</tr>
</tbody>
</table>

Data Source: USDA-FAS
European Union: Pork Exports

1,000 METRIC TONS

Exports
Russia: Pork Imports

1,000 METRIC TONS

China: Pork Production and Consumption

MILLION METRIC TONS


PROD CONS
China: Pork Imports
Mexico: Pork Trade

![Chart showing pork trade between Mexico and another country from 2000 to 2014, with imports and exports measured in thousands of metric tons.](chart.png)
MAJOR US PORK EXPORT MARKETS
Carcass Weight, Annual

Mil. Pounds

Japan  CANADA  MEXICO  CHINA

Avg. 2007/11  2012  2013

Data Source: USDA-ERS & USDA-FAS, Compiled & Analysis by LMIC
Livestock Marketing Information Center
HOG IMPORTS FROM CANADA
Annual

Data Source: USDA-ERS & USDA-FAS, Compiled & Analysis by LMIC
Livestock Marketing Information Center
US PORK INDUSTRY NET EXPORT VALUES

Annual

Bil. $


Data Source: USDA-FAS, Compiled & Analysis by LMIC
Livestock Marketing Information Center
Global Pork Market Trends

• Increased global pork production and trade
  – China
• Beta Agonists (Ractopamine)
• Porcine Epidemic Diarrhea virus (PEDv)
• U.S.
  – Exports to Mexico
  – COOL
World Beef Market Situation
Major Beef Producing and Consuming Countries, 2013

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<td>7. India</td>
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<tr>
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<td>9. Pakistan</td>
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</tr>
<tr>
<td>10. Russia</td>
<td>10. Japan **</td>
</tr>
</tbody>
</table>
2013 BEEF AND VEAL PRODUCTION
Carcass Weight

Mill MT

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

Data Source: USDA-FAS
Livestock Marketing Information Center
World Beef Exports,
Major Exporting Countries

Million Metric Tons

Major Beef Trading Countries, 2013

<table>
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<th>EXPORTS</th>
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BEEF AND VEAL EXPORTS
Carcass Weight, Annual

Data Source: USDA-FAS
Livestock Marketing Information Center
BEEF AND VEAL IMPORTS
Carcass Weight, Annual

Mill MT

Japan
Russian Federation
Mexico
South Korea
Hong Kong
US

2014

Data Source: USDA-FAS
Livestock Marketing Information Center
India: Beef Exports
China: Beef Production and Consumption

![Bar chart showing beef production and consumption in China from 2005 to 2014. The chart compares production (blue) and consumption (red) for each year.]
China: Beef Imports

1,000 METRIC TONS

European Union: Beef Trade
Brazil: Beef Production and Consumption

The bar chart shows the beef production and consumption in Brazil from 2000 to 2014. The y-axis represents million metric tons, and the x-axis represents the years from 2000 to 2014. The chart indicates a general increase in both production and consumption over the years.
Brazil: Beef Exports

1,000 METRIC TONS
Australia: Beef Exports

1,000 METRIC TONS

Canada: Beef Trade

The graph shows the trade of beef in metric tons from 2000 to 2014. The blue bars represent exports, and the red bars represent imports. The y-axis represents the number of metric tons in thousands. The x-axis shows the years from 2000 to 2014.
BEEF EXPORTS FROM MEXICO

Annual

Source: SIAVI
Mexico: Beef Trade

![Bar chart showing beef trade imports and exports from 2000 to 2014.](chart.png)

- **Imports** are represented by blue bars.
- **Exports** are represented by red bars.

**Y-axis:** 1,000 Metric Tons

**X-axis:** Years 2000 to 2014

- Imports tend to fluctuate with some years showing a sharp increase, such as 2003 and 2012.
- Exports are generally much lower compared to imports, with some exception years like 2012 and 2013.

Overall, the chart indicates a consistent trend of imports being significantly higher than exports from 2000 to 2014.
United States: Beef Trade
2014-2015 Projected
BEEF PRODUCTION vs. CATTLE INVENTORY

Inventory on January 1, U.S.

Livestock Marketing Information Center

Data Source: USDA-AMS, Compiled & Analysis by LMIC

M-S-23
08/10/12
CATTLE IMPORTS FROM CANADA AND MEXICO

Annual

Thou. Head


Mexico  Canada

Data Source: USDA-ERS & USDA-FAS, Compiled & Analysis by LMIC

Livestock Marketing Information Center
US BEEF INDUSTRY NET EXPORT VALUES
Annual

Data Source: USDA-FAS, Compiled & Analysis by LMIC
Livestock Marketing Information Center
Global Beef Market Trends

• India as a major beef exporter
• Increased Chinese beef imports
  – Market access
• Drought
  – Australia, U.S.
• North America
  – Reduced production will impact beef exports and imports, 2014-2016
  – Fully integrated NAFTA markets
Pork and Beef Industry Issues

• Market Access
  – Beta Agonists (Ractopamine)
  – COOL

• Disease
  – Porcine Epidemic Diarrhea virus (PEDv)
  – Foot and Mouth Disease (FMD)

• Sustainability/Environmental Concerns

• Comparative Advantage/Regional Production Changes
Change in Beef Cow Inventory, January 1, 2007-2014

U.S. Ave., -11.0 %
Percent Change in Pasture Acreage, 2007-2012

U.S. Ave., -3.6 %
The Weekly Email Newsletter
From OSU Animal Science and Agricultural Economics

Cow-Calf Corner

• Send Email to
derrell.peel@okstate.edu