

2005 beef exports – is that a light at the end of the tunnel?

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Summary

Total 2005 beef and beef variety meat exports through November were \$1.22 billion – more than double the same time last year but still only about 36 percent of the exports during January-through-November 2003 (pre-BSE or bovine spongiform encephalopathy). Mexico accounted for more than half (59.7 %) of the beef and beef variety meat export volume and almost two-thirds of the total export value (64.7 %).

Background/Key Points

In 2003, the United States exported approximately \$7.5 billion worth of beef, beef products, cattle and other ruminants and ruminant by-products to 112 countries. After the December 2003 U.S. BSE case, \$4.8 billion worth of U.S. beef and beef product exports was banned from international export markets. According to the U.S. Department of Agriculture (USDA), 70 countries were either fully or partially open to U.S. beef before the June 24, 2005 BSE case diagnosed in a U.S. cow.

Taiwan and Egypt added \$51 million to the value of U.S. exports through June, but following USDA’s announcement about the U.S. BSE case in June, Taiwan “temporarily” re-instated its ban on U.S. beef and is still closed. Egypt’s imports of U.S. beef, through November, are now at 100 percent of 2003 levels. Of the primary export markets tracked in the attached table, the European Union is the only fully open market. Mexico (about 91% open) and Canada remain only partially open.

Although Japan announced Dec. 12, 2005 it would resume U.S. beef imports, the agreement only provides for trade in beef (bone-in and boneless, provided there is no vertebral column) from cattle younger than 21 months of age – a difficult threshold to meet that will certainly limit a return to 2003 export levels any time soon. In addition,

U.S. exports to Japan were stalled at press time due to a shipment to Japan in mid-January that violated the terms of the agreement.

South Korea recently initiated a process to resume U.S. beef imports. The current terms of negotiation are set for Korea to accept U.S. boneless beef from cattle less than 30 months of age. In 2003, \$825 million worth of U.S. beef and beef products was exported to South Korea. Boneless beef accounted for \$449 of the total.

U.S. Beef Exports to Primary Markets: January - November 2004 vs. 2005

Beef	Volume (Thousand Metric Tons)			Value (Million Dollars)		
	2004	2005	% Change	2004	2005	% Change
Japan	0.03	0.01	-74.19	0.16	0.06	-61.16
Mexico	96.62	131.50	36.10	335.99	493.50	46.88
S. Korea	0.00	0.00		0.00	0.00	
Canada	16.34	36.69	124.59	80.31	178.59	122.36
Egypt	0.00	0.15	7500.00	0.01	0.58	4347.44
Russian Fed.	0.36	0.40	9.72	0.41	0.65	57.20
HK/China	0.00	0.00		0.00	0.00	
Taiwan	0.00	7.11		0.00	41.00	
EU**	1.80	2.36	31.27	9.84	12.92	31.34
Central America	0.68	1.16	72.15	2.26	4.22	86.47
All U.S.	128.82	198.14	53.81	488.96	819.46	67.59
Variety Meats						
	2004	2005	% Change	2004	2005	% Change
Japan	0.46	1.38	198.05	2.69	2.45	-8.99
Mexico	80.36	122.68	52.67	171.31	294.75	72.06
S. Korea	0.24	2.11	773.86	0.18	1.17	533.59
Canada	3.66	6.77	84.90	4.07	6.64	63.17
Russian Fed.	1.11	2.86	157.90	0.40	1.23	209.94
Egypt	0.03	23.97	85,492.86	0.08	38.43	45,956.86
HK/China	0.00	0.00		0.00	0.00	
Taiwan	0.31	0.60	95.15	0.18	0.70	282.54
EU**	41.37	29.50	-28.70	20.80	19.76	-4.99
Central America	0.491	1.769	260.29	0.42	1.80	330.03
All U.S.	159.20	227.34	42.80	228.54	399.52	74.82
Beef + Variety Meats						
	2004	2005	% Change	2004	2005	% Change
Japan	0.49	1.39	180.93	2.86	2.51	-12.01
Mexico	176.98	254.18	43.62	507.30	788.25	55.38
S. Korea	0.24	2.11	773.86	0.18	1.17	533.59
Canada	20.00	43.46	117.33	84.38	185.22	119.51
Egypt	0.03	24.12	80293.33	0.10	39.01	40326.52
Russia Fed.	1.47	3.25	121.54	0.81	1.88	132.31
HK/China	0.00	0.00		0.00	0.00	
Taiwan	0.31	7.71	2394.50	0.18	41.70	22686.53
EU**	43.17	31.86	-26.21	30.64	32.68	6.68
Central America	1.17	2.93	151.37	2.68	6.02	124.45
All U.S.	288.02	425.47	47.73	717.50	1,218.98	69.89

Notes: 1) % Change is change from 2004 in percent, i.e., beef volume exported to Mexico in 2004 increased 36.10 percent; beef value exported to Mexico in 2004 increased 46.88 percent, etc.

2) To convert to million pounds, multiply thousand metric tons by 2.2.

3) 1 metric ton equals 2204.6 pounds.

SOURCE: USDA/FAS

**As of May 1, 2004, the European Union added 10 new members for a current total of 25 countries.