Opportunities for U.S. Beef Exports

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Value of U.S. Beef Exports

- **Five years of steady growth in export sales**
  - 2009: $3.08 billion 897,376 MT
  - 2014: $7.14 billion 1,196,752 MT
  - 2015: $6.30 billion (-12%) 1,067,614 MT (-12%)

- **Top Five Export Markets for 2015**
  - Japan $1.28 billion (-19%) 204,927 MT (-15%)
  - Mexico $1.09 billion (-6%) 225,574 MT (-7%)
  - Canada $900 million (-13%) 124,822 MT (-9%)
  - Korea $810 million (-4%) 126,093 MT (-7%)
  - Hong Kong $800 million (-31%) 120,905 MT (-22%)

*Source: USMEF*
Value of U.S. Beef Exports

- 10-15% of Annual Production is Exported
- Muscle cuts (fresh/frozen), hides & skins, tallow, offals
- Offals = Lickers, Tickers, and Filters
Beef and Offal Exports (US$/Hd)

Source: USDA, 2015 forecast
Opportunities in TPP

- All tariffs go to zero, except for Japan
- Japan - tariff phases down from 38.5% to 9% in 16 years
- Tariff on tongue phases down from 12.8% to zero in 10 years
- Strong SPS Provisions
- Levels the playing field with Australia
TPP to level the (duty) playing field

Duties on Chilled/Frozen Beef

- Aus chilled
- Aus frozen
- TPP
- Snapback duties

www.USMEF.org
Japanese Beef Duties

*Per U.S. Steer/Heifer Sltr*

Source: USDA, AgriTrends, Japan Customs
TPP: Japan is Key

- Japan is our most valued market for offals
- U.S. Beef Tongue Sales to Japan
  - 2014 = $84,974,364
  - 2015 = $62,534,835

Source (above): U.S. Dept. of Commerce
Source (right): Global AgriTrends
Should We Worry About Beef Imports in TPP?

- No, all imported beef must meet equivalent rigorous safety standards as U.S. beef
- U.S. already has low tariffs on imported beef
- Imported beef is combined with trim from U.S. beef to meet commercial ground beef demand
What Happens if TPP Fails?

- U.S. beef falls further behind Australia in Japan
- U.S. beef falls behind other leading exporters (Canada, New Zealand, Europe)
- No other market can absorb the high value we enjoy in Japan
Japan Beef Imports

Market Share

Source: GTIS, AgriTrends forecasts

BSE Bans 2003

Australia

Australia/Japan FTA 2015

U.S.
Impact of Japan-Australia EPA
Change in Japan’s beef imports, Jan-Sept 2015

Source: www.TPPNow.com/
What Happens if TPP Fails?

• U.S. loses leverage on future TPP countries
  - Taiwan
  - Philippines
  - Indonesia
  - Korea

• **China sets terms of trade in the Pacific**
Conclusion

• For every day that passes we lose market share in Japan
• TPP levels the playing field for U.S. beef
• If TPP fails, China wins.

www.TPPNOW.com