United States Department of Agriculture

Foreign Agricultural Service

October 2014

Livestock and Poultry: World Markets and Trade

Modest Expansion for Global Beef, Pork and Broiler Meat Trade in 2015

Beef and Veal:

- Global exports are forecast nearly 2 percent higher to a record 9.9 million tons. Gains by leading exporters Brazil and India more than offset declines in the United States and Australia, both hindered by tight supplies and high prices. Asia, particularly China and Hong Kong, accounts for the majority of demand growth.
- U.S. production is forecast to continue to decline, down 2 percent to 10.9 million tons as lower slaughter more than offsets increased weights. Despite robust global demand, tight supplies and higher prices are expected to drive U.S. exports 3 percent lower to 1.1 million tons.

Pork:

- After declining two years, global exports are forecast to rebound and increase 4 percent to 7.2 million tons on strong demand from China. China's liquidation of breeding sows will slow production growth; its imports are forecast to reach a record 1.0 million tons on rising consumption. A ban on shipments from key suppliers as well as disease-based restrictions will drive Russia's imports lower despite increased shipments from Brazil.
- U.S. production is forecast to rebound 5 percent to a record 10.9 million tons on increased slaughter and heavier weights. Greater supplies and lower prices will benefit U.S. exports which are forecast to increase 3 percent to 2.4 million tons on Mexican and Asian demand.

Broiler Meat:

- Global exports are forecast to expand 4 percent to a record 10.9 million tons as a result of gains by Brazil, the United States, Turkey, Argentina and Thailand. Imports by Russia are expected to decline as domestic production increases. Brazil and Argentina are poised to capture a greater share of the Russian market as a result of the recent ban on broiler meat shipments from EU, United States, Canada, Australia and Norway.
- U.S. production is forecast to rise 3 percent to a record 17.8 million tons on increased slaughter, heavier weights and greater demand due to broiler meat's price competiveness vis-à-vis red meats. Despite the loss of the Russian market, U.S. exports are expected to rise 1 percent to a record 3.3 million tons as shipments are shifted towards Mexico, Sub-Saharan Africa and East Asia.

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Summary:
Major Traders and U.S. Trade of Beef, Pork, and Broiler Meat

Beef and Veal, Pork: 1,000 Tons Carcass Weight Equivalent / Broiler Meat: 1,000 Tons Ready to Cook Equivalent

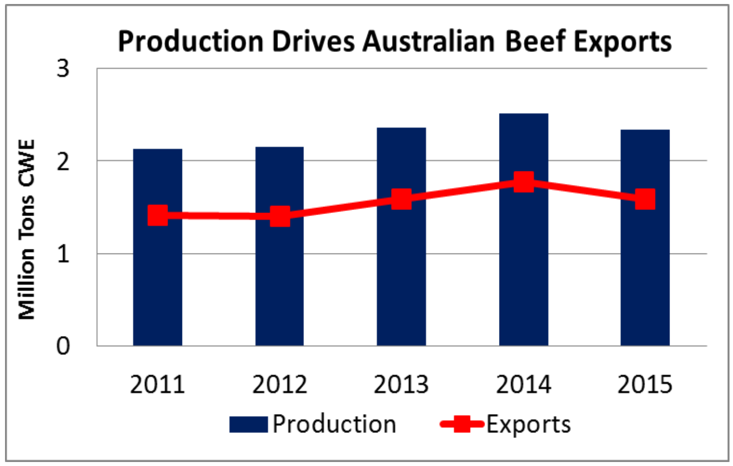
	2010	2011	2012	2013	2014 (p)	2015 (f)	Percent Change 2014 to 2015
Production							
Beef and Veal	58,488	58,153	58,522	59,435	59,598	58,739	-1.4%
Pork	103,032	103,629	107,016	108,863	110,606	111,845	1.1%
Broiler Meat	78,372	81,357	83,426	84,531	86,066	87,385	1.5%
Total	239,892	243,139	248,964	252,829	256,270	257,969	0.7%
Consumption							
Beef and Veal	57,391	56,478	57,044	57,696	57,834	56,884	-1.6%
Pork	102,898	103,274	106,437	108,464	109,882	111,174	1.2%
Broiler Meat	77,206	80,040	81,755	82,967	84,129	85,112	1.2%
Total	237,495	239,792	245,236	249,127	251,845	253,170	0.5%
Imports							
Beef and Veal	6,646	6,419	6,678	7,440	7,876	8,049	2.2%
Pork	5,901	6,616	6,890	6,663	6,245	6,323	1.2%
Broiler Meat	7,805	8,227	8,537	8,619	8,550	8,662	1.3%
Total	20,352	21,262	22,105	22,722	22,671	23,034	1.6%
Exports							
Beef and Veal	7,794	8,072	8,135	9,127	9,775	9,943	1.7%
Pork	6,032	6,957	7,271	7,036	6,936	7,196	3.7%
Broiler Meat	8,895	9,565	10,113	10,242	10,478	10,928	4.3%
Total	22,721	24,594	25,519	26,405	27,189	28,067	3.2%
U.S. Exports							
Beef and Veal	1,043	1,263	1,112	1,175	1,179	1,145	-2.9%
Pork	1,915	2,356	2,440	2,264	2,321	2,381	2.6%
Broiler Meat	3,067	3,165	3,300	3,332	3,297	3,341	1.3%
Total	6,025	6,784	6,852	6,771	6,797	6,867	1.0%
U.S. Market Share (%) of Exports Among Major Traders							
Beef and Veal	13%	16%	14%	13%	12%	12%	
Pork	32%	34%	34%	32%	33%	33%	
Broiler Meat	34%	33%	33%	33%	31%	31%	
Combined	27%	28%	27%	26%	25%	24%	

Notes: Totals include only those countries that make up USDA's official PSD database are reported. This means totals do not encompass all production, consumption, and trade, but rather the sum of those countries reported in USDA's database, which represent the most important markets in the world meat PSD situation. In an attempt to capture these major players, the list of countries reported changes periodically.

Competition Fierce for Australian Beef Supplies in 2015

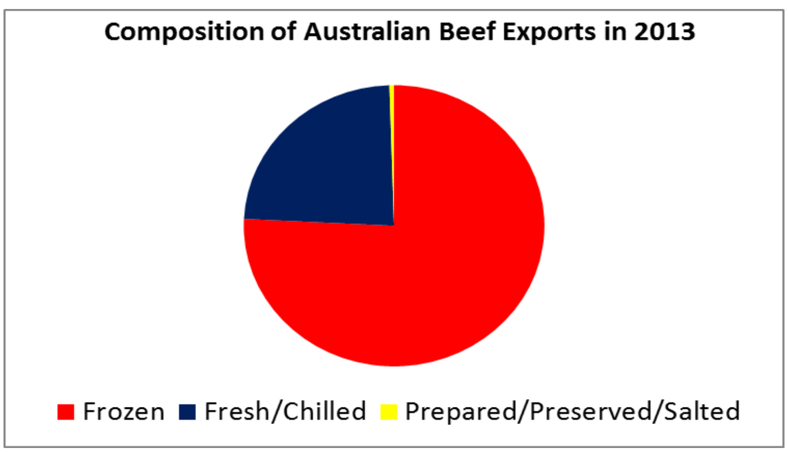
2014 Was a Record Year…

Australia's drought-induced herd liquidation in recent years pushed slaughter to decade's high levels and 2014 production is set to achieve a record 2.5 million tons. As a result of increased supplies, exports are expected to grow 11 percent to a record 1.8 million tons enabling Australia to make gains in most of its key markets.



But Australian Beef Exports Set to Decline in 2015...

Australian production is forecast to decline 7 percent in 2015 on tight supplies of slaughter-ready cattle, driving exports 10 percent lower. With robust demand in key importing countries, prices are likely to rise, and the distribution of shipments between markets will change.



China Has Emerged as an Important Market…

Frozen beef (HS 0202), primarily boneless, has accounted for the majority of Australia's export expansion, comprising three-quarters of total beef shipments in 2013.

Three markets had historically accounted for the majority of Australian frozen beef shipments: Japan, the United States and Korea. Combined, these accounted for 65 percent of Australian frozen beef exports in 2011 but dropped to 56 percent in 2013. During the same period, China's share increased from 2 percent to 16 percent, becoming a strong competitor for frozen beef.

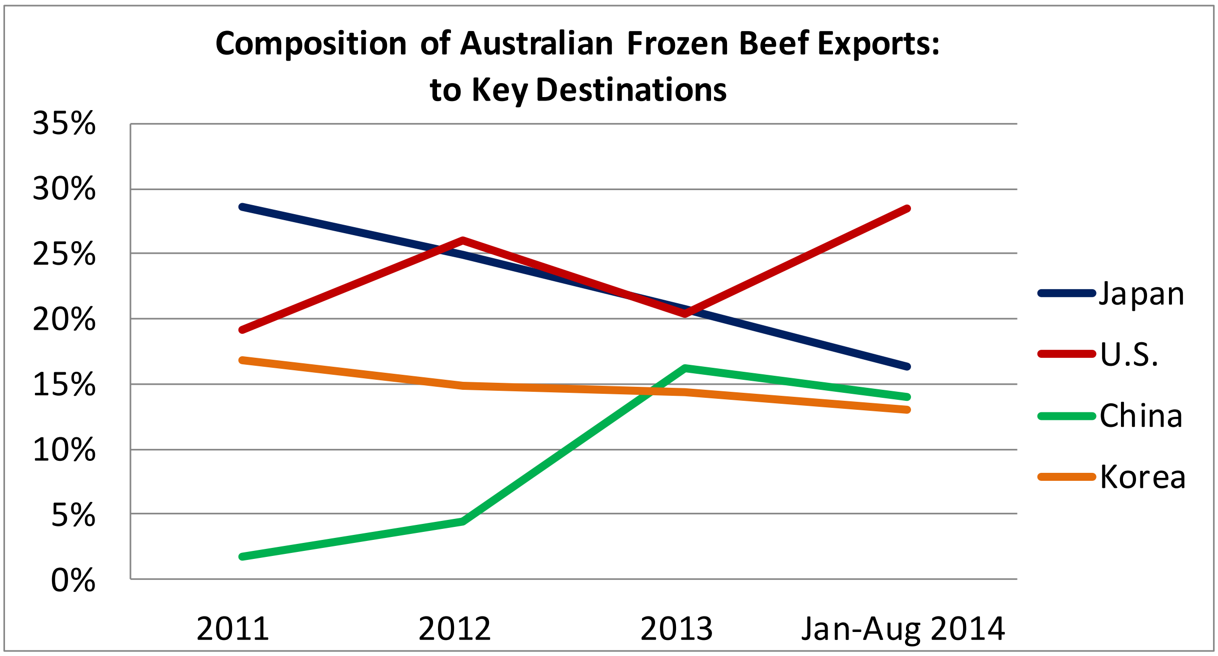
Australian frozen boneless beef exports are primarily comprised of manufacturing-type beef (50 percent) and primal cuts (40 percent). Not surprisingly, certain markets demand particular products. For instance, Japan and the United States compete for non-primal cuts while the Asian markets (China, South Korea and Japan) vie for primal cuts.

But Shipments Expected Lower to All Key Markets in 2015.

While still elevated on a historical basis, the forecasted decline in Australian beef exports in 2015 is significant and will likely result in lower shipments to all key markets – China, Japan, Korea and the United States.

- Japan and Korea are expected to face the greatest decline as they continue to compete with China for supplies of frozen boneless beef primal cuts. Total Chinese beef imports are forecast higher in 2015 and its stronger demand are likely to bid product away from Asian neighbors.

- Australian frozen boneless manufacturing beef shipments will likely decline to both the United States and Japan. Robust U.S. prices on tight domestic supplies and strong demand will continue to generate more lucrative opportunities for Australian beef compared to the Japanese market. Thus the decline in shipments to Japan will be more significant compared to the United States.



Australian Frozen Beef Exports by Type

HS Code	Description	Percent of Australian Frozen Beef Exports (HS 0202)	Key Markets
02023019	**Frozen Boneless Beef Including Manufacturing and Brisket** (excluding primal cuts, hindquarters cuts, forequarters cuts and crops)	50%	Japan, United States
02023013	**Frozen Boneless Beef Primal Cuts** (for example rumps, strips, loins, etc.)	40%	China, South Korea, Japan
02023011	**Frozen Boneless Beef Hindquarter Cuts, Forequarter Cuts and Crops** (excluding briskets)	10%	United States

Beef and Veal Selected Countries Summary

1,000 Metric Tons (Carcass Weight Equivalent)

	2010	2011	2012	2013	2014	2015 Oct
Production						
Brazil	9,115	9,030	9,307	9,675	9,920	10,215
European Union	8,101	8,114	7,708	7,384	7,475	7,475
China	6,531	6,475	6,623	6,700	6,525	6,400
India	3,125	3,308	3,491	3,800	4,100	4,250
Argentina	2,620	2,530	2,620	2,850	2,820	2,850
Australia	2,129	2,129	2,152	2,359	2,510	2,340
Mexico	1,745	1,804	1,821	1,808	1,760	1,765
Pakistan	1,485	1,536	1,587	1,630	1,675	1,725
Russia	1,435	1,360	1,380	1,380	1,390	1,400
Canada	1,276	1,141	1,060	1,049	1,050	1,010
Others	8,880	8,743	8,925	9,048	9,247	8,441
Total Foreign	46,442	46,170	46,674	47,683	48,472	47,871
United States	12,046	11,983	11,848	11,752	11,126	10,868
Total	58,488	58,153	58,522	59,435	59,598	58,739
Total Dom. Consumption						
Brazil	7,592	7,730	7,845	7,885	7,955	8,055
European Union	8,202	8,034	7,760	7,516	7,580	7,585
China	6,520	6,449	6,680	7,022	6,974	6,893
Argentina	2,346	2,320	2,458	2,664	2,630	2,650
India	2,208	2,040	2,080	2,035	2,250	2,300
Russia	2,488	2,346	2,406	2,386	2,205	2,215
Mexico	1,938	1,921	1,836	1,874	1,815	1,810
Pakistan	1,451	1,503	1,538	1,576	1,616	1,661
Japan	1,225	1,237	1,255	1,232	1,235	1,230
Canada	1,003	996	1,019	1,016	979	940
Others	10,380	10,256	10,428	10,882	11,380	10,601
Total Foreign	45,353	44,832	45,305	46,088	46,619	45,940
United States	12,038	11,646	11,739	11,608	11,215	10,944
Total	57,391	56,478	57,044	57,696	57,834	56,884

Notes:
May contain meat of other bovines.
From 2015, the following countries are excluded: Albania, Azerbaijan, Cote d'Ivoire, Georgia, Ghana, Jamaica, Senegal and Uzbekistan.

Beef and Veal Selected Countries Summary

1,000 Metric Tons (Carcass Weight Equivalent)

	2010	2011	2012	2013	2014	2015 Oct
Total Imports						
Russia	1,058	994	1,032	1,018	825	825
Hong Kong	154	152	241	473	650	750
Japan	721	745	737	760	750	740
China	40	29	99	412	460	515
Korea, South	366	431	370	375	410	405
European Union	437	365	348	376	360	355
Venezuela	143	195	217	290	325	315
Canada	243	282	301	296	280	285
Egypt	260	217	250	195	240	260
Chile	190	180	187	245	235	235
Others	1,992	1,896	1,889	1,980	2,123	2,139
Total Foreign	5,604	5,486	5,671	6,420	6,658	6,824
United States	1,042	933	1,007	1,020	1,218	1,225
Total	6,646	6,419	6,678	7,440	7,876	8,049
Total Exports						
Brazil	1,558	1,340	1,524	1,849	2,030	2,235
India	917	1,268	1,411	1,765	1,850	1,950
Australia	1,368	1,410	1,407	1,593	1,775	1,590
New Zealand	530	503	517	529	570	575
Uruguay	347	320	360	338	385	435
Paraguay	283	197	251	326	375	395
Canada	523	426	335	333	365	355
Belarus	181	147	156	220	245	250
European Union	336	445	296	244	255	245
Argentina	277	213	164	186	190	200
Others	431	540	602	569	556	568
Total Foreign	6,751	6,809	7,023	7,952	8,596	8,798
United States	1,043	1,263	1,112	1,175	1,179	1,145
Total	7,794	8,072	8,135	9,127	9,775	9,943

Notes:
May contain meat of other bovines.
From 2015, the following countries are excluded: Albania, Azerbaijan, Cote d'Ivoire, Georgia, Ghana, Jamaica, Senegal and Uzbekistan.

Cattle Selected Countries Summary

(in 1,000 head)

	2010	2011	2012	2013	2014	2015 Oct
Total Cattle Beg. Stks						
India	304,500	302,500	300,000	299,606	300,600	301,100
Brazil	185,159	190,925	197,550	203,273	207,960	212,700
China	107,265	106,264	103,605	103,434	103,000	102,950
European Union	89,829	87,831	87,054	87,106	87,645	88,050
Argentina	49,057	48,156	49,597	51,095	51,545	51,695
Australia	27,906	27,550	28,506	29,000	29,290	27,600
Russia	20,677	19,970	20,134	19,930	19,564	19,000
Mexico	22,192	21,456	20,090	18,521	17,760	17,175
Uruguay	11,828	11,241	11,232	11,384	11,903	12,113
Canada	12,670	12,155	12,245	12,305	12,220	11,950
Others	72,979	70,023	68,064	66,101	64,051	32,152
Total Foreign	904,062	898,071	898,077	901,755	941,598	912,835
United States	94,081	92,887	91,160	90,095	87,730	87,750
Total	998,143	990,958	989,237	991,850	1,029,328	1,000,585
Production (Calf Crop)						
India	61,000	62,500	63,500	65,000	66,000	66,750
Brazil	49,200	49,445	49,690	50,185	50,940	51,705
China	46,500	44,500	48,000	48,800	48,100	45,500
European Union	29,000	30,100	29,800	29,050	29,150	29,250
Argentina	11,600	13,100	13,700	14,000	13,700	13,900
Australia	8,842	9,614	9,121	10,200	9,425	9,700
Mexico	7,000	6,900	6,800	6,700	6,750	6,825
Russia	6,952	7,239	6,920	6,820	6,670	6,545
New Zealand	4,530	4,786	4,926	4,923	5,080	5,165
Canada	4,758	4,640	4,462	4,516	4,480	4,440
Others	14,614	14,544	14,644	14,804	14,507	10,350
Total Foreign	243,996	247,368	251,563	254,998	260,702	251,030
United States	35,730	35,357	34,469	33,930	33,600	33,400
Total	279,726	282,725	286,032	288,928	294,302	284,430

Notes:
May contain other bovines.
From 2015, Colombia and Venezuela are excluded.

Cattle Selected Countries Summary

(in 1,000 head)

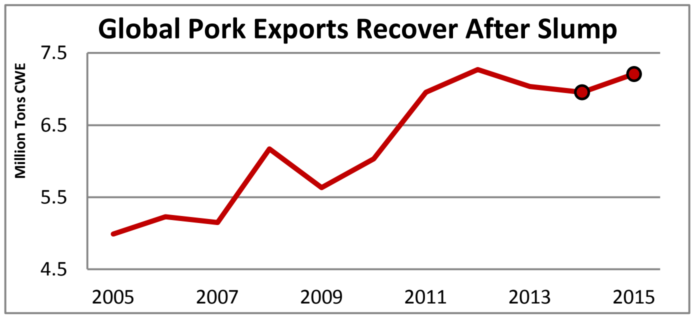
	2010	2011	2012	2013	2014	2015 Oct
Total Imports						
China	83	103	117	98	130	135
Egypt	140	70	95	100	245	135
Russia	38	95	138	97	100	100
Canada	56	73	56	48	45	45
Mexico	25	16	10	30	35	45
Japan	16	12	14	12	10	10
Brazil	68	5	0	0	17	5
Ukraine	1	3	3	3	3	3
Belarus	1	1	2	1	1	1
Argentina	0	1	0	0	0	0
Others	613	336	616	712	565	0
Total Foreign	1,041	715	1,051	1,101	1,826	1,154
United States	2,284	2,107	2,283	2,033	2,200	2,225
Total	3,325	2,822	3,334	3,134	4,026	3,379
Total Exports						
Mexico	1,261	1,435	1,539	1,045	1,125	1,225
Australia	875	695	620	851	1,400	1,100
Canada	1,065	696	821	1,044	1,135	1,050
Brazil	655	405	512	689	760	820
European Union	492	689	678	505	450	460
Uruguay	207	213	78	41	50	70
New Zealand	27	34	42	33	30	30
China	28	29	26	19	20	20
Ukraine	0	4	2	11	20	20
Russia	2	6	9	17	15	15
Others	25	62	302	236	86	1
Total Foreign	4,637	4,268	4,629	4,491	5,241	4,811
United States	91	194	191	161	115	125
Total	4,728	4,462	4,820	4,652	5,356	4,936

Notes:
May contain other bovines.
From 2015, Colombia and Venezuela and excluded.

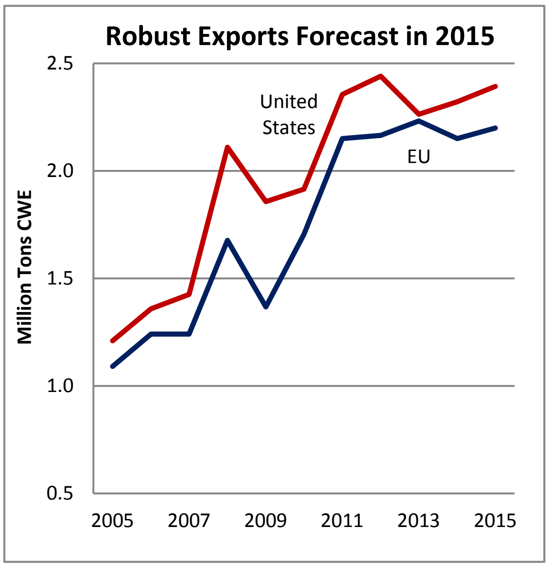
Global Pork Trade Forecast to Recover in 2015

Trade Higher on Record China Imports

After declining for two years, global pork exports are forecast to increase 4 percent to 7.2 million tons. Robust demand will largely be driven by China, where imports are forecast to reach a record 1.0 million tons.



EU Exports Rise as Demand in Asia Continues to Offset Loss of Russian Market

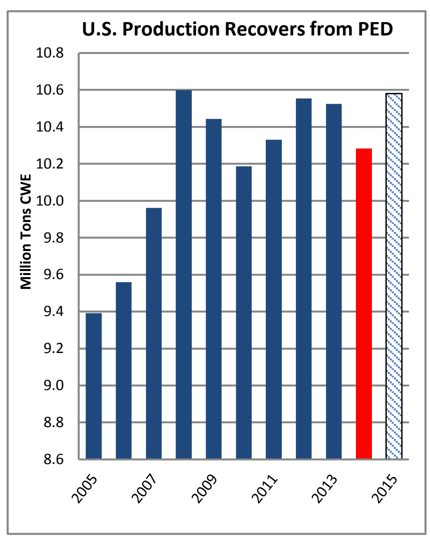


EU production is forecast virtually unchanged in 2015 constrained by animal welfare regulations and poor returns in 2014. However, exports are projected to increase 2 percent. Trade has largely been redirected to China and South Korea to help offset the loss of their largest market, Russia.

Russia imposed import restrictions on EU pork in February 2014 when four cases of ASF were reported in Poland and Lithuania. The EU initiated a World Trade Organization (WTO) case in response to the restrictions, stating that the blanket ban on pork from the entire EU is disproportionate and in violation of WTO rules. Since the imposition of ASF restrictions, Russia placed an additional ban on pork from three major suppliers the EU, U.S. and Canada.

Rebounding U.S. Production Bolsters Exports

In 2015, U.S. production is forecast up 5 percent to 10.9 million tons on increased farrowing, a gradual recovery in pigs per litter, and heavier weights bolstered by lower feed costs. Greater supplies and lower prices will benefit U.S. exports which are forecast to increase 3 percent to 2.4 million tons on strong Asian and Mexican demand.



In 2014, production is expected to fall 2 percent below the previous year due to the adverse impact of Porcine Epidemic Diarrhea (PED). PED first appeared in the United States in May 2013, and has since been reported in 31 states, which collectively account for more than 95 percent of production. PED is particularly lethal to pre-weaned piglets, often resulting in near 100 percent mortality. It is not reportable to World Animal Health Organization and does not affect meat.

Pork Selected Countries Summary

1,000 Metric Tons (Carcass Weight Equivalent)

	2010	2011	2012	2013	2014	2015 Oct
Production						
China	50,712	50,604	53,427	54,930	56,500	57,350
European Union	22,627	22,953	22,526	22,342	22,400	22,365
Brazil	3,195	3,227	3,330	3,280	3,344	3,494
Russia	1,981	2,064	2,175	2,400	2,650	2,820
Vietnam	2,217	2,262	2,307	2,349	2,425	2,450
Canada	1,779	1,812	1,840	1,819	1,830	1,860
Philippines	1,260	1,288	1,310	1,340	1,365	1,390
Mexico	1,175	1,202	1,239	1,281	1,280	1,290
Japan	1,292	1,267	1,297	1,309	1,273	1,279
Korea, South	1,110	837	1,086	1,252	1,182	1,148
Others	5,498	5,782	5,925	6,037	5,918	5,431
Total Foreign	92,846	93,298	96,462	98,339	100,277	100,987
United States	10,186	10,331	10,554	10,524	10,329	10,858
Total	103,032	103,629	107,016	108,863	110,606	111,845
Total Dom. Consumption						
China	50,799	51,108	53,802	55,406	57,010	58,250
European Union	20,951	20,822	20,382	20,125	20,262	20,175
Russia	2,896	3,035	3,208	3,267	3,109	3,194
Brazil	2,577	2,644	2,670	2,696	2,760	2,795
Japan	2,488	2,522	2,557	2,550	2,558	2,552
Vietnam	2,199	2,238	2,275	2,315	2,389	2,414
Mexico	1,784	1,710	1,850	1,953	1,975	2,005
Korea, South	1,539	1,487	1,546	1,628	1,631	1,640
Philippines	1,418	1,432	1,446	1,511	1,554	1,589
Canada	810	800	834	803	863	895
Others	6,783	7,138	7,426	7,548	7,205	6,680
Total Foreign	94,244	94,936	97,996	99,802	101,427	102,300
United States	8,654	8,338	8,441	8,662	8,455	8,874
Total	102,898	103,274	106,437	108,464	109,882	111,174

Note:
From 2015, the following countries are excluded: Albania, Armenia, Congo (Brazzaville), Gabon, Georgia, Ghana, Jamaica, North Korea, Kyrgyzstan, Moldova, Switzerland and Trinidad and Tobago.

Pork Selected Countries Summary

1,000 Metric Tons (Carcass Weight Equivalent)

	2010	2011	2012	2013	2014	2015 Oct
Total Imports						
Japan	1,198	1,254	1,259	1,223	1,320	1,275
China	415	758	730	770	810	1,000
Mexico	687	594	706	783	815	840
Korea, South	382	640	502	388	440	485
Russia	916	971	1,045	868	460	375
Hong Kong	347	432	414	399	350	360
Canada	183	204	241	220	210	210
Philippines	159	145	138	172	190	200
Australia	183	175	194	183	185	190
Angola	58	78	87	88	110	120
Others	983	1,001	1,210	1,170	924	859
Total Foreign	5,511	6,252	6,526	6,264	5,815	5,915
United States	390	364	364	399	430	408
Total	5,901	6,616	6,890	6,663	6,245	6,323
Total Exports						
European Union	1,706	2,150	2,165	2,232	2,150	2,200
Canada	1,159	1,197	1,243	1,245	1,180	1,180
Brazil	619	584	661	585	585	700
China	278	244	235	244	275	300
Chile	130	139	180	164	165	160
Mexico	78	86	95	111	120	125
Vietnam	19	32	36	40	40	40
Australia	41	41	36	36	37	37
Belarus	62	85	104	74	22	30
South Africa	3	3	3	5	8	10
Others	22	40	73	36	33	33
Total Foreign	4,117	4,601	4,831	4,772	4,615	4,815
United States	1,915	2,356	2,440	2,264	2,321	2,381
Total	6,032	6,957	7,271	7,036	6,936	7,196

Note:
From 2015, the following countries are excluded: Albania, Armenia, Congo (Brazzaville), Gabon, Georgia, Ghana, Jamaica, North Korea, Kyrgyzstan, Moldova, Switzerland and Trinidad and Tobago.

Swine Selected Countries Summary

(in 1,000 head)

	2010	2011	2012	2013	2014	2015 Oct
Total Beginning Stocks						
China	469,960	464,600	468,627	475,922	474,113	475,000
European Union	152,780	152,361	149,809	146,982	146,129	145,500
Brazil	35,122	36,652	38,336	38,577	38,844	39,042
Russia	17,236	17,231	17,258	18,816	19,081	19,000
Canada	12,465	12,615	12,625	12,610	12,955	13,280
Mexico	8,979	9,007	9,276	9,510	9,876	9,625
Japan	10,000	9,768	9,735	9,685	9,537	9,400
Korea, South	8,721	8,449	8,171	9,916	9,912	9,175
Ukraine	7,577	7,960	7,373	7,577	7,922	7,650
Belarus	3,782	3,887	3,989	4,243	3,267	3,000
Others	2,302	2,289	2,285	2,138	2,098	1,986
Total Foreign	728,924	724,819	727,484	735,976	733,734	732,658
United States	64,887	64,725	66,259	66,224	64,775	65,400
Total	793,811	789,544	793,743	802,200	798,509	798,058
Production (Pig Crop)						
China	665,261	670,196	707,427	720,971	727,000	689,500
European Union	263,076	264,655	257,600	256,750	256,000	250,000
Russia	29,472	30,650	34,500	36,000	38,500	40,700
Brazil	36,970	37,750	37,700	37,900	38,250	38,400
Canada	28,613	28,500	28,346	27,359	27,400	27,700
Japan	17,500	17,000	17,250	17,350	17,100	17,000
Mexico	16,200	16,350	16,500	16,850	16,200	16,300
Korea, South	14,923	13,308	16,340	16,953	15,500	15,400
Ukraine	8,176	8,109	8,538	9,465	9,700	9,450
Belarus	5,025	5,075	5,275	5,000	4,600	4,900
Others	4,604	4,659	4,581	4,737	4,663	4,700
Total Foreign	1,089,820	1,096,252	1,134,057	1,149,335	1,154,913	1,114,050
United States	113,128	115,086	116,655	115,135	112,426	117,645
Total	1,202,948	1,211,338	1,250,712	1,264,470	1,267,339	1,231,695

Swine Selected Countries Summary

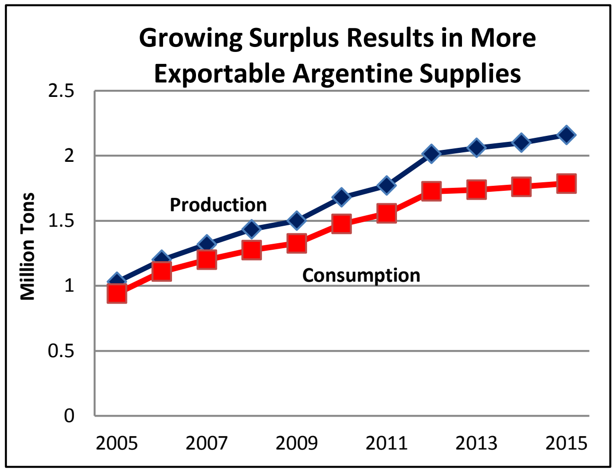
(in 1,000 head)

	2010	2011	2012	2013	2014	2015 Oct
Total Imports						
Ukraine	90	112	225	231	20	20
Mexico	9	12	31	9	10	10
China	6	15	19	24	3	5
Belarus	2	5	1	3	2	2
Korea, South	2	16	11	2	2	2
Brazil	5	2	1	1	1	1
Canada	3	3	2	1	1	1
European Union	2	1	2	1	1	1
Japan	1	1	1	1	1	1
Australia	0	0	0	0	0	0
Others	783	782	334	86	8	0
Total Foreign	903	949	627	359	49	43
United States	5,749	5,795	5,656	4,957	4,852	4,800
Total	6,652	6,744	6,283	5,316	4,901	4,843
Total Exports						
Canada	5,761	5,821	5,676	4,752	4,855	4,810
China	1,748	1,563	1,644	1,680	1,750	1,825
European Union	1,012	1,010	741	572	450	475
Brazil	1	6	2	4	3	3
Australia	0	0	0	0	0	0
Belarus	54	113	103	52	0	0
Japan	0	0	0	0	0	0
Korea, South	0	0	0	0	0	0
Mexico	0	0	0	0	0	0
Russia	1	0	0	0	0	0
Others	1	1	1	0	0	0
Total Foreign	8,578	8,514	8,167	7,060	7,058	7,113
United States	15	30	56	34	19	32
Total	8,593	8,544	8,223	7,094	7,077	7,145

South America Increasingly Turns From Brazil to Argentina for Broiler Meat

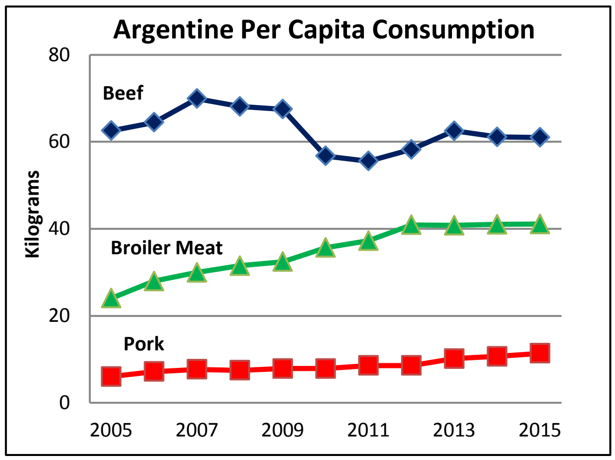
Growing Argentine Broiler Meat Production…

In 2013, Argentina surpassed Brazil as the primary supplier of broiler meat for South American markets and is expected to continue to grow. Production has more than doubled within a decade as a result of rising domestic and foreign demand along with ample feed supplies. Moreover, heavy investment and an increasingly vertically integrated sector have turned Argentina into the eighth largest producer in the world.



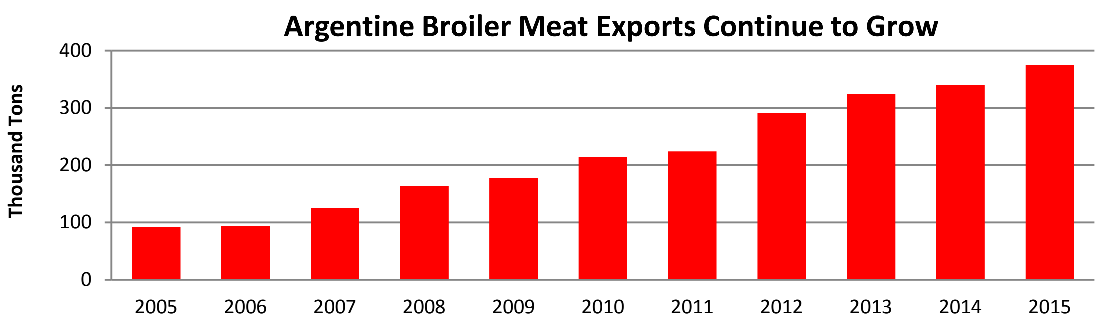
Consumption has almost doubled over the past decade. Argentines are among the largest beef consumers in world; yet, for most of the past decade the competitive price differential vis-à-vis beef favored broiler meat.

However, broiler meat consumption appears to have reached its ceiling in 2012 as a result of market saturation and moderating beef prices. This ceiling resulted in greater exportable broiler meat supplies.



Facilitates Surge in Exports…

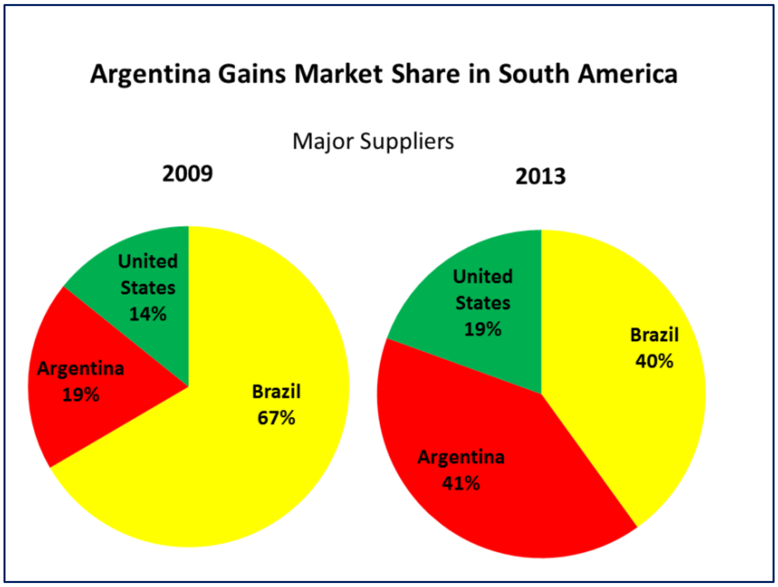
Argentine exports are booming due to competitive prices and global demand for cheaper sources of protein. Over two-thirds of Argentine exports are comprised of whole birds. Processors are now beginning to shift their marketing efforts toward broiler parts and further processed value-added products. Despite its relatively new presence in the market, Argentina has emerged as the world's seventh largest exporter. This robust export sector supports industry growth and healthy producer margins in the face of inflation-driven elevated production costs, especially energy and labor.



Taking Market Share from Brazil in South America.

Brazil, the world's largest exporter, dominated the South American market until it shifted from Venezuela towards the Middle East. Argentina filled the void and surpassed Brazil in 2013.

Two-thirds of Argentine exports remain in South America. Venezuela, the region's largest importer, represents nearly half of Argentina's shipments, followed by Chile and Peru. The remainder is shipped to over 70 countries, including markets in Sub-Saharan Africa and East Asia.

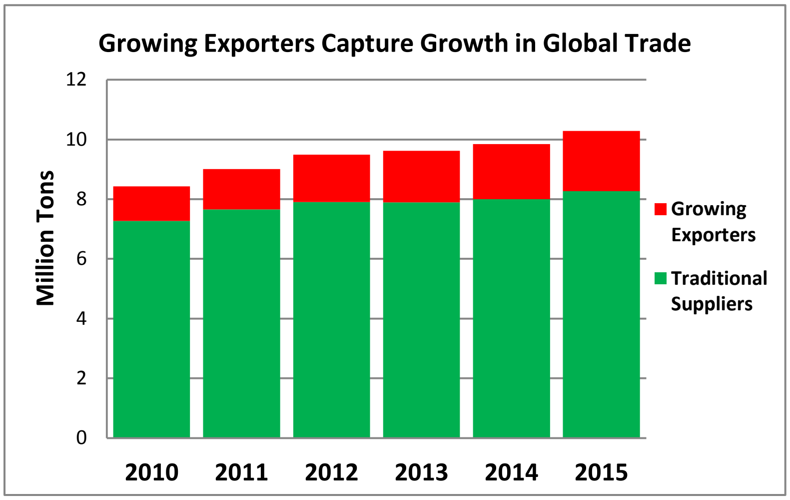


New Opportunities on the Horizon

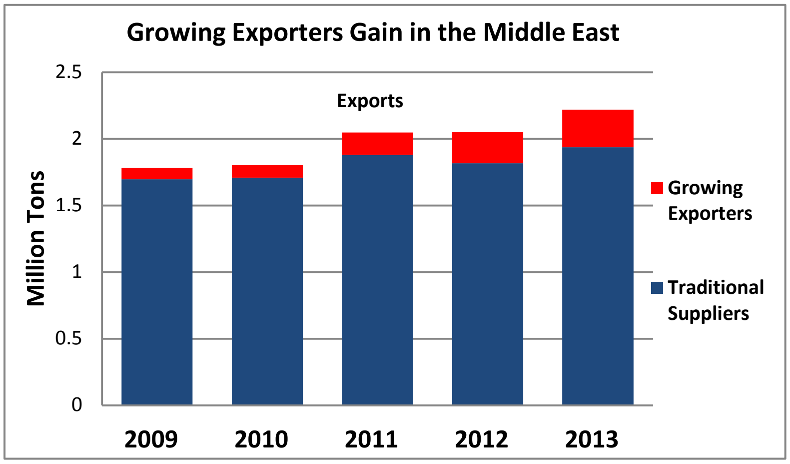
Russia is seeking alternative broiler meat suppliers due to its recent ban on certain agricultural imports from EU, United States, Canada, Australia and Norway. Imports by Russia are expected to decline as domestic production increases. Prior to the ban, the United States and EU supplied over three-quarters of Russia's broiler meat imports. Argentina and Brazil are poised to partially fill the gap in the market.

Additionally, rising broiler meat consumption in South American markets and new demand from Sub-Saharan Africa and Middle East will likely bolster future growth.

Growing Broiler Meat Exporters Challenge Traditional Suppliers Particularly in The Middle East



Over the past five years, growing broiler meat exporters - Argentina, China, Thailand, Turkey and Ukraine - challenged the dominance of traditional suppliers - Brazil, EU and United States. Moreover, growing exporters represent almost half of the 2 million ton rise in global trade over this period. The inroads are largely occurring in the Middle East.



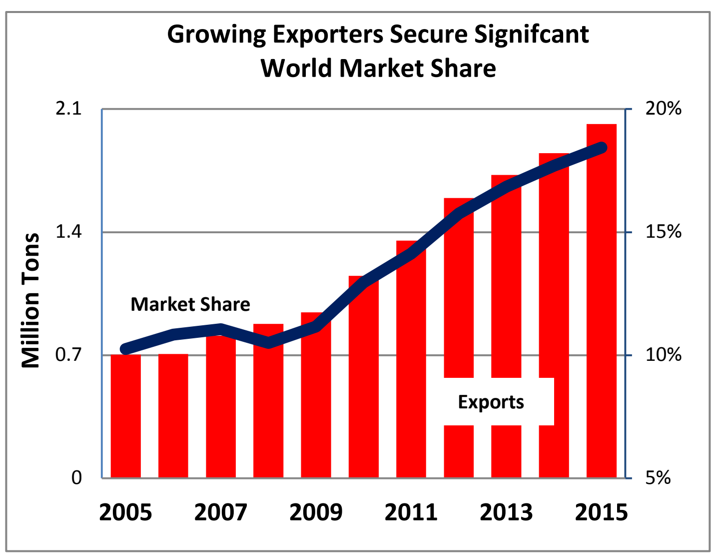
The Middle East, particularly Saudi Arabia, Iraq and UAE, accounts for over 25 percent of world broiler meat imports and is fueling global consumption. Rising incomes, economic growth, and changes in tastes and preferences support this growth.

Changing Preferences in the Middle East

Middle East consumers generally prefer fresh/chilled whole birds, in compliance with halal standards. However, along with the expanding hotel, catering, and restaurant sectors, there is a growing preference for ready-to-cook products and parts/cuts by younger households.

Over the past decade, growing exporters have nearly doubled their market share and almost tripled their exports. These gains are attributable to significant and unique competitive advantages.

For example, Turkey's geographic proximity to key Middle East markets lowers costs and facilitates shipping logistics. In 2006, Turkey had no market presence in Iraq. Today, after having captured market share from the United States and Brazil, it now supplies over 30 percent of Iraq's broiler meat, primarily supplying halal whole birds.



While import demand in East Asia and other maturing markets such as the EU remains steady, the future of these exporters will lie in the new and developing markets.

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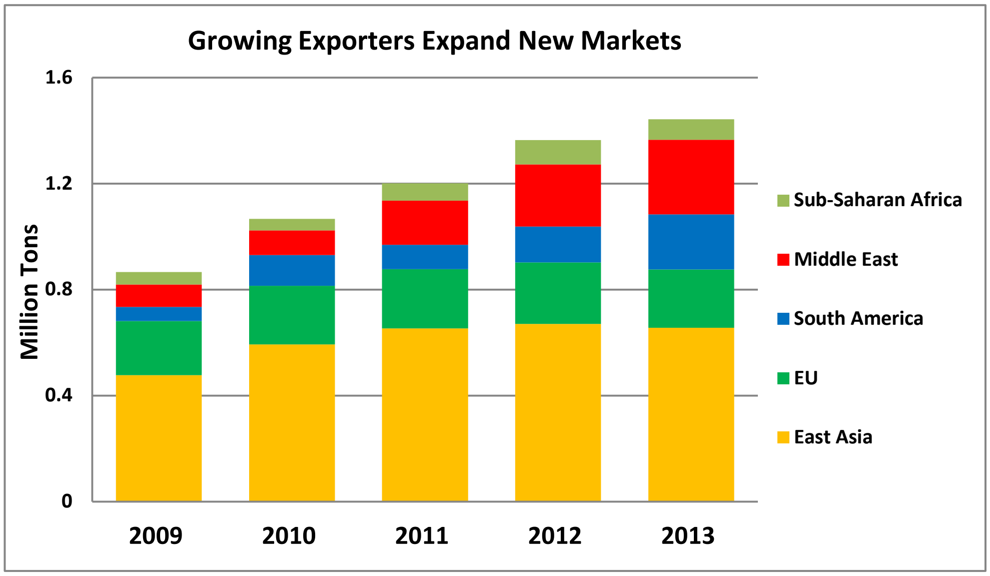

Broiler Meat Selected Countries Summary

1,000 Metric Tons (Ready to Cook Equivalent)

	2010	2011	2012	2013	2014	2015 Oct
Production						
Brazil	12,312	12,863	12,645	12,308	12,680	13,115
China	12,550	13,200	13,700	13,350	13,000	13,000
European Union	9,202	9,320	9,565	9,900	10,070	10,300
India	2,650	2,900	3,160	3,450	3,725	3,900
Russia	2,310	2,575	2,830	3,010	3,200	3,400
Mexico	2,822	2,906	2,958	3,002	3,060	3,150
Argentina	1,680	1,770	2,014	2,060	2,100	2,160
Turkey	1,420	1,619	1,707	1,745	1,755	1,800
Thailand	1,280	1,350	1,550	1,500	1,570	1,640
Indonesia	1,465	1,515	1,540	1,550	1,565	1,625
Others	14,118	14,645	15,136	15,680	16,087	15,543
Total Foreign	61,809	64,663	66,805	67,555	68,812	69,633
United States	16,563	16,694	16,621	16,976	17,254	17,752
Total	78,372	81,357	83,426	84,531	86,066	87,385
Total Dom. Consumption						
China	12,457	13,016	13,543	13,174	12,800	12,775
European Union	8,955	9,010	9,198	9,489	9,645	9,870
Brazil	9,041	9,422	9,139	8,829	9,083	9,293
India	2,648	2,891	3,156	3,445	3,717	3,888
Mexico	3,364	3,473	3,569	3,679	3,760	3,885
Russia	2,957	3,013	3,321	3,520	3,560	3,725
Japan	2,080	2,105	2,214	2,209	2,210	2,215
Argentina	1,475	1,556	1,726	1,738	1,762	1,786
South Africa	1,491	1,653	1,726	1,730	1,757	1,784
Indonesia	1,465	1,515	1,540	1,550	1,565	1,625
Others	17,800	18,726	19,278	19,913	20,239	19,812
Total Foreign	63,733	66,380	68,410	69,276	70,098	70,658
United States	13,473	13,660	13,345	13,691	14,031	14,454
Total	77,206	80,040	81,755	82,967	84,129	85,112

Notes:
Chicken paws are excluded.
From 2015, the following countries are excluded: Bahrain, Georgia, Iran, Jamaica and Moldova.

Broiler Meat Selected Countries Summary

1,000 Metric Tons (Ready to Cook Equivalent)

	2010	2011	2012	2013	2014	2015 Oct
Total Imports						
Japan	789	895	877	854	880	870
Iraq	522	598	612	673	720	790
Saudi Arabia	652	745	750	838	770	790
Mexico	549	578	616	682	705	740
European Union	687	734	727	672	675	670
Venezuela	237	234	198	341	410	450
South Africa	240	326	371	355	370	385
Angola	239	287	301	321	325	350
Russia	656	463	560	540	385	340
Hong Kong	295	410	300	272	255	245
Others	2,891	2,908	3,174	3,016	3,001	2,979
Total Foreign	7,757	8,178	8,486	8,564	8,496	8,609
United States	48	49	51	55	54	53
Total	7,805	8,227	8,537	8,619	8,550	8,662
Total Exports						
Brazil	3,272	3,443	3,508	3,482	3,600	3,825
European Union	934	1,044	1,094	1,083	1,100	1,100
Thailand	432	467	538	513	540	570
China	379	422	411	420	440	460
Turkey	104	196	278	327	360	420
Argentina	214	224	291	324	340	375
Ukraine	23	43	76	141	170	190
Canada	147	143	141	150	145	155
Belarus	38	74	105	105	117	130
Chile	79	90	93	88	83	90
Others	206	254	278	277	286	272
Total Foreign	5,828	6,400	6,813	6,910	7,181	7,587
United States	3,067	3,165	3,300	3,332	3,297	3,341
Total	8,895	9,565	10,113	10,242	10,478	10,928

Notes:
Chicken paws are excluded.
From 2015, the following countries are excluded: Bahrain, Georgia, Iran, Jamaica and Moldova.

Notes to Readers

The *Livestock and Poultry: World Markets and Trade* circular is designed to give a snapshot of the current situation among the major players in world beef, pork, and broiler meat trade.

Data Modifications Prior to 2013

Cattle/Beef:

- The cattle PSDs for the following countries are revised for particular years during the 2003-2012 period on official production data revisions: Canada, Colombia, India and New Zealand.
- The beef PSDs for the following countries are revised for particular years during the 1996-2012 period on additional/revised official production data available: Canada, Colombia, EU, Guatemala, India, Lebanon, New Zealand, UAE and Vietnam.
- The beef PSDs for the following countries are revised for particular years during the 1996-2012 period on additional/revised trade data available: Angola, Canada, El Salvador, India, Jamaica, Jordan, Macedonia, Philippines, South Africa and UAE.
- From 2015, the following countries are excluded from the cattle PSDs: Colombia and Venezuela.
- From 2015, the following countries are excluded from the beef PSDs: Albania, Azerbaijan, Cote d'Ivoire, Georgia, Ghana, Jamaica, Senegal and Uzbekistan.

Swine/Pork:

- The swine PSD for the European Union is revised for 2011 due to revised official production data.
- The pork PSDs for the following countries are revised for particular years during the 1994-2012 period due to additional/revised official trade or production data: Angola, Belarus, Bosnia and Herzegovina, Colombia, Congo (Kinshasa), Cuba, Dominican Republic, Ghana, North Korea, New Zealand, Panama, Serbia, South Africa, Switzerland, Uruguay and Vietnam.
- From 2015, the following countries are excluded from the pork PSDs: Albania, Armenia, Congo (Brazzaville), Gabon, Georgia, Ghana, Jamaica, North Korea, Kyrgyzstan, Moldova, Switzerland and Trinidad and Tobago.

Broiler Meat:

- The broiler meat PSDs for the following countries are revised for particular years during the 1999-2012 period on additional production data available: Angola, Belarus, Benin, Malaysia and Taiwan.
- The broiler meat PSDs for the following countries are revised for particular years during the 2000-2012 period on additional trade data available: Ghana, Singapore, South Africa and Turkey.
- From 2015, the following countries are excluded from the broiler meat PSDs: Bahrain, Georgia, Iran, Jamaica and Moldova.

Turkey Meat:

- The turkey meat PSDs are discontinued as of 2015. A historical data series through 2014 is still available on the FAS website at http://www.fas.usda.gov/psdonline.

Assumptions

- **Diseases:** Forecast reflects disease (avian influenza, African swine fever, foot and mouth disease, bovine spongiform encephalopathy, etc.) policies and restrictions in place as of October 10, 2014 and assumes their continuation.

Conversion Rates

	Beef &Veal	Pork
Conversion Rate	1.40	1.30
HS Codes	Fresh/Chilled: 0201 Frozen: 0202 Processed: 021020 & 160250	Fresh/Chilled: 020311, 020312, 020319 Frozen: 020321, 020322, 020329 Processed: 021011, 021012, 021019, 160241, 160242, 160249

	Broiler Meat	Turkey Meat
Conversion Rate	1	1
HS Codes	Fresh/Chilled: 0207.11, 0207.13 Frozen: 0207.12, 0207.14 Processed: 1602.32	Fresh/Chilled: 0207.24, 0207.26, 0207.32, 0207.34, 0207.35 Frozen: 0207.25, 0207.27, 0207.33, 0207.36 Processed: 1602.31

Note: There are several exceptions by country/product. In general, chicken paws are excluded and carabeef (buffalo meat) is included.

Technical Notes

CWE/PWE: All quantities (beef and pork) noted are in Carcass Weight Equivalent (CWE) unless otherwise noted as Product Weight Equivalent (PWE). CWE is the weight of an animal after slaughter and removal of most internal organs, head, and skin. PWE is the actual weight of the meat product exported.

FAS Reports from Overseas Offices

The *Livestock and Poultry: World Markets and Trade* circular is based on post reports submitted since July 2014 and on available secondary information. The individual country reports can be obtained on FAS Online at: http://gain.fas.usda.gov/Pages/Default.aspx.

PSD Online

The entire USDA PSD database is available online at http://www.fas.usda.gov/psdonline.

Additional Resources

Please refer to the USDA-FAS Dairy, Livestock and Poultry website at: http://www.fas.usda.gov/commodities/livestock-and-meats for additional data and analysis.

Situation and outlook information on U.S. livestock and poultry can be obtained from the USDA-Economic Research Service at: http://www.ers.usda.gov/publications/ldpm-livestock,-dairy,-and-poultry-outlook/.

Future Releases and Contact Information

Please visit http://www.fas.usda.gov/data/livestock-and-poultry-world-markets-and-trade to view archived and future releases. The next release of this circular will be in April 2015.

To receive the circular via email, go to: https://public.govdelivery.com/accounts/USDAFAS/subscriber/new.

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