

INTERNATIONAL TRADE: ASIAN MARKETS

Overview

US meat and poultry exports to East Asia totaled over \$7.8 billion USD in 2014, a 12 percent increase over the \$6.9 billion in 2013. This is due to staged market openings over the past several years that have allowed increased market access to Japan, Korea and Taiwan. The Obama Administration is now pursuing such staged approaches with other countries to gain market access with some of our major trading partners.

Beef

China's market continues to remain closed to U.S. beef and negotiations to ease import restrictions have not been successful. The Chinese continue to accept only U.S. beef less than 30 months of age, but also ask for a list of 22 contingencies, which the U.S. will not accept. U.S. and Chinese meat trade linkages have prevented the U.S. from making much progress on market access in China. Despite the slow movement in regards to market access, beef and beef variety meat exports to the broader China/Hong Kong market were up 42 percent in 2014, to over \$1 billion in value when compared to 2013. U.S. beef now has full market access in Hong Kong market.

In 2013, Japan relaxed its rules for imported U.S. beef from cattle under 20 months of age and the definition of specified risk materials. Now complete, the change allows more U.S. beef products to be shipped to Japan, and was a boon to U.S. beef exports in 2014. U.S. beef exports to Japan topped \$1.3 billion in 2014, a six percent increase over 2013.

In South Korea, U.S. beef exports increased significantly in value to over \$812 million in 2014. Large domestic availability of beef has kept imports at bay for several years. The U.S. and Korea agreed to allow the resumption of beef trade in April 2008. However, the protocol was delayed due to massive protests in Korea that year. As a result, both Korean importers and U.S. exporters voluntarily agreed to only trade beef and beef products from animals under 30 months of age, until such time as Korean consumers are comfortable with buying products from older animals. Under the protocol and voluntary LT30 program, the market will not close due to a mis-packed item or another case of BSE in the U.S. Beef trade with Korea has now returned to pre-BSE levels.

U.S. exports of beef and beef variety meats to Taiwan increased to \$292 million in 2014, 17 percent higher than 2013, due primarily to the easing of Taiwan's zero tolerance for ractopamine residues for in late 2012.

Pork

China is the world's largest producer and consumer of pork products, thus it is one of the most important markets for U.S. companies.

Exports of pork and pork products to China resumed in March 2010 after the market had closed in early 2009 following misconceptions of transference of the H1N1 Influenza virus. In 2014, pork exports to China/Hong Kong totaled \$345 million, a 20 percent decrease from 2013 due to reduced demand as the Chinese economy slows. In 2014, China announced a zero-tolerance policy for pork containing ractopamine residues.

Japan continues to be the largest import market for U.S. pork, importing over \$1.7 billion in 2014. This was a decrease of 4 percent from 2013. South Korea is also a significant market for U.S. pork exporters, importing over \$393 million in pork products in 2014. The implementation of the U.S.-South Korea Free Trade Agreement (FTA) in 2012 is expected to boost U.S. meat exports to Korea in the future.

Taiwan's zero-tolerance policy for ractopamine continued for pork products in 2014, resulting in a significant drop off in export values since 2011. Though Taiwan changed its ractopamine residue standards in 2012 for beef, the zero-tolerance policy remains in effect for pork.

Poultry

China continues to be the second largest importer of U.S. poultry products, with over \$870 million in value in 2014, a 23 percent increase over 2013. Taiwan's U.S. poultry imports in 2014 dropped 13 percent to \$141 million. Exports to Korea rose 22 percent to \$97 million in value in 2014 and are expected to continue to grow under the U.S.-Korea Free Trade Agreement.

HELPFUL LINKS

North American Meat Institute

<http://www.meatinstitute.org>

Foreign Agriculture Service

<http://www.fas.usda.gov>

NAMI FACT SHEET: INTERNATIONAL TRADE: ASIAN MARKETS - CONTINUED

United States Department of Agriculture Foreign Agricultural Service HS 4-Digit Exports						
Area/Countries of Destination and Commodities Exported						
		2011	2012	2013	2014	% CHNG '13-'14
East Asia Total Value (\$1,000)	Meat Of Swine	2,902,581	2,748,710	2,500,995	2,491,956	--
	Meat Bovine, Frozen	1,191,894	1,169,668	1,802,898	2,451,199	36
	Meat Bovine, Fr/Ch	637,364	731,251	973,991	1,044,487	7
	Meat, Poultry	1,268,904	1,081,809	957,166	1,110,767	16
	Edible Offal	506,892	595,063	682,039	691,569	1
	Meat Salt/Dry/Smoke	39,431	36,426	41,470	27,821	-33
	Pig/Poultry Fat	4,204	5,913	4,341	6,884	59
	Meat, Offal, Other	565	2,205	1,004	701	-30
	Meat Of Sheep/Goats	268	174	216	308	43
	Totals	6,552,101	6,371,217	6,964,121	7,825,693	12

Source: USDA, Foreign Agricultural Service, Global Agricultural Trade System