A Look Ahead for Exports and International Markets

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The mission of USMEF is, “To increase the value and profitability of the U.S. beef, pork and lamb industries by enhancing demand for their products in export markets through a dynamic partnership of all stakeholders.”

Simply put, USMEF is, “Putting U.S. Meat on the World’s Table.”
Members

Comprised of nine sectors

- Beef/Veal Producing and Feeding
- Pork Producing and Feeding
- Lamb Producing and Feeding
- Packing and Processing
- Purveying and Trading, including Jobbing, Retailing and Wholesaling
- Oilseeds Producing
- Feedgrains Producing
- Farm Organizations
- Supply and Service Organizations/Agribusiness

Putting U.S. Corn & Soybeans on the World’s Table
2014 USMEF Budget

- Beef: 26%
- Pork: 14%
- Soy: 8%
- Corn: 6%
- Other: 4%

USDA: 42%

Total Budget: $39.4 Million

www.USMEF.org
The Roles of USMEF

• International Marketing
• Technical Services
• Trade Servicing
• Issues Management
• Trade Access
• In-Market Facilitation
• International Shows/Teams
U.S. Beef and BVM Export Volume

Source: USDA/FAS
U.S. Pork and PVM Export Volume

Source: USDA/FAS
Global Competition
Spanish Ibérico Pork

- Ibérico pork has a high-quality brand image
Canadian Pork

- Seminars
- Promotions
- Store-front Tasting
- Trade shows
- Consumer Advertising - Great Nature Safety Image
Mexican Pork (MexPo)

- Promotions – renewed approach to supermarket chains
- Tasting
- Seminar
- Trade shows
Chilean Pork - Agro Super
Opportunities Abound! Competition Abounds!

- Hong Kong channel volatility
- Market Access-PVP program ractopamine-free
- Plant delistment issue
- Lack of access for processed pork products
Total Opportunity 2020

- **China/HK**: 2,500,000
- **Japan**: 1,000,000
- **Mexico**: 750,000
- **Korea**: 500,000
- **Philippines**: 250,000
- **Oceania**: 200,000
- **Canada**: 150,000
- **Colombia**: 100,000
- **Singapore**: 75,000
- **Taiwan**: 50,000
- **Chile**: 25,000
- **EU**: 10,000
- **Honduras**: 5,000

Legend:
- ☐ U.S. Import Share
- ◼ U.S. Future Growth
- □ Competitor Imports
Seafood vs. Meat Consumption

Japan's Consumption

Thous mt


Meat
Seafood

www.USMEF.org

- Total Imports: +44%
- US Imports: +81%
- EU Imports: +15%

Volume in MMT

<table>
<thead>
<tr>
<th>Category</th>
<th>2009</th>
<th>2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Imports</td>
<td>800</td>
<td>960</td>
<td>+20%</td>
</tr>
<tr>
<td>US Imports</td>
<td>300</td>
<td>315</td>
<td>+3%</td>
</tr>
<tr>
<td>EU Imports</td>
<td>100</td>
<td>180</td>
<td>+90%</td>
</tr>
</tbody>
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www.USMEF.org
USMEF’s JAPAN PORK BUDGET
1991 - 2015

($1,000)

- Pork Checkoff
- Pork FAS

1991 – 2008

2008 – 2015


www.USMEF.org
Competitors in the Market

- Canada
- Denmark
- Mexico
- Chile
- China
- Australia
- Spain
- France
- Italy
- Hungary
- Austria
- Finland
- Germany
- Netherlands
- Poland
- Belgium
- Ireland
- Sweden
- Korea (processed)
- Thailand processed
- China (processed)
- JAPANESE PORK

Competition from 25 countries
Strategy: Expand U.S. Chilled Pork

Huge opportunity to expand market share!

U.S. Chilled Pork: 187,733

- U.S.: 75%
- Canada: 16%
- Mexico: 8%
- Others: 1%
- Domestic: 0%
Importance of Brands/Stories

Almost 400 brands of pork in Japan
Mexico Market Background

• Excellent market access

• Price sensitive market (processors often inject water to keep prices lower)

• Competition from increasing poultry imports

• Six countries exporting to Mexico

• Historically, domestic production does not increase as fast as consumption
Pork Competition in Korea

22 countries are competing for the Korean Market

- U.S.A., 108,036
- Germany, 65,512
- Spain, 38,090
- Holland, 9,988
- Canada, 34,850
- Chile, 25,169
- France, 10,529
- Austria, 16,738
- Belgium, 10,562
- Mexico, 8,880
- Hungary, 6,089
- Poland, 5,806
- Denmark, 9,721
- Finland, 3,178
- Sweden, 1,104
- Ireland, 5,867

2014 Jan-Dec
Korea Pork PS&D

Unit: 1,000 M/T

Source: MIFAFF

www.USMEF.org
Evolving Image
Canada

Theme: “Present from Great Nature”
Canadian Promotion in South Korea

- “Delicious Canada” promotion at five hotels sponsored by Canadian Ministry of Agriculture, Tourism Board, Alberta State & Canadian Embassy
Mexico

Messages

- “Safety”
- “Anxiety-free”
- “Tasty” beef from Sunshine Country

Activities

- Trade shows/seminar
- Promotion
Targeted Advertising

Traceability you can trust.

Sustainably Raised
Grass Fed and Fully Traceable
Naturally Aged with a 120-Day Shelf Life
Adhering to the World’s Highest Safety Standards

Uruguayan meat. From nature to consumer.

Funded by the Beef Checkoff.
Market Access: When and What Will it Look Like?
Intense Competition

71 countries exported beef to HK in 2014

2014 Market Share

- Brazil: 51.4%
- U.S.: 18.6%
- Australia: 4.9%
- Argentina: 4.3%
- Paraguay: 3.4%
- Canada: 2.5%
- UK: 2.0%
- Ireland: 1.5%
- New Zealand: 1.5%
- Uruguay: 1.3%
- Others: 7.8%

www.USMEF.org
Reimage U.S. Beef - Japan

Think Beef
Think American

www.USMEF.org
Consumer Perception of U.S. Beef

Would You Buy U.S. Beef?

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes (%)</th>
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</thead>
<tbody>
<tr>
<td>2007</td>
<td>22.9%</td>
</tr>
<tr>
<td>2014</td>
<td>65.1%</td>
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Source: USMEF Online Tracking Survey, 300 samples
Budget History

USMEF’s Japan Beef Budget
1995-2015

MAP Beef
Beef Checkoff

www.USMEF.org
Beef Import Trend

Unit: M/T

Total Beef Import

US Beef Import
U.S. Beef Purchasing Intention is Up

Do you have an intention to consume U.S. beef?