



U.S. Meat Export Analysis and Trade News

News Briefs

Argentina . . . In 2000, Argentina exported 360,000 metric tons of beef, and 2001 exports had been forecast to be 10 percent higher. With widespread outbreaks of FMD, exports are now expected to be in the range of 220,000 metric tons. Since the government finally admitted to FMD outbreaks in March, more than 300 outbreaks have been reported. With the admission of the outbreaks, Argentina suspended exports to the United States and Canada. The European Union, which normally continues to import Argentine boneless beef, also suspended imports. Because Argentina is vaccinating instead of slaughtering animals to control the disease, production will not change and much of the beef that would have been exported will be consumed domestically. Although cattle prices remained strong in early May, larger supplies in later months will likely drive down prices.

The economic impact of the outbreak is being felt throughout the industry. Many producers are insisting that the government is responsible for the severity of the outbreak and are resisting paying for the vaccination program. The Argentine government may end up absorbing the \$0.70 per animal cost of vaccination (for 50 million head of cattle). In April, the government offered packers a small subsidy to offset the cost of laying off workers. Later, the government also announced a series of tax advantages for packers who had exported at least 30 percent of production. Packers are losing an estimated \$40 million per month as a result of FMD. [USDA/Foreign Agricultural Service. "Voluntary Report." AR1028 (May 8, 2001):1-3]

Australia . . . Beef exports to Japan reached a record 34,770 metric tons in May. On a year-to-date basis, exports totaled 143,941 metric tons, which is 8 percent higher than during January-May 2000. Australian beef has gained market share (now at 48 percent compared with 46 percent during the same period in 2000) at the expense of U.S. product. Recently, the yen-U.S. dollar exchange rate has caused some traders to turn to chilled Australian grass-fed beef. Meat and Livestock Australia reported the following trade data for May.

Australian Beef Exports

	January- <u>May 2001</u>	January- <u>May 2000</u>	Percent <u>Change</u>
Total	143,941	133,871	8
Chilled Grass-fed	40,898	39,601	3
Chilled Grain-fed	45,770	39,564	16
Frozen Grass-fed	49,552	45,512	9
Frozen Grain-fed	7,751	9,194	-16

In other markets, January-April exports to the United States were 37 percent higher than during the same period in 2000. Strong U.S. demand for lean beef and a low Australian dollar have driven this trade. April exports to Canada were 28 percent higher than during April 2000, but year-to-date volume was on a par with the previous year. The high April exports include beef that

(continued on page 4)

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Meat Export Research Center



Agricultural Marketing Service



U.S. Meat Export Federation

Editor's Note:

Because I have accepted a position at the Midwest Agribusiness Trade Research and Information Center (MATRIC) at Iowa State University, this is the final issue of *U.S. Meat Export Analysis and Trade News* that I will be editing. Thus, I would like to acknowledge the many people who have contributed to the newsletter since I published the first issue in April 1993. In particular, I would like to thank Dr. Joe Cordray, director of the Meat Export Research Center, and Dr. Dennis Olson, former director of the Meat Export Research Center, for their guidance and support, and Dr. Dermot Hayes, Pioneer Hi-Bred International Chair of Business and Professor of Economics, for his many contributions to the newsletter. Also, I could not have produced the newsletter without Regina Hendrickson, who meticulously entered data, laid out the newsletter, and prepared so many issues for printing.

I would like to acknowledge the staff at the U.S. Meat Export Federation in Denver, Colorado, and the USMEF international offices, and the USDA's Agricultural Marketing Service in Des Moines, Iowa, for all the information and assistance they have provided since the first issue. Also, I have received invaluable assistance from personnel at USDA's Foreign Agricultural Service and Economic Research Service, commodity organizations, processors and exporters, authors who have allowed their work to appear in the newsletter, and other faculty and staff members at Iowa State and other universities—I thank you all. Also, I owe a special thanks to the Iowa Pork Producers Association for providing the first-year funding that got the newsletter off the ground in 1993.

World meat trade has undergone many changes during my tenure as editor of *U.S. MEAT News*. U.S. exporters have faced economic downturns, tariff and non-tariff trade barriers, fluctuations in currency exchange rates, the effects of livestock diseases and food safety crises, and keen competition from other countries. On the other hand, the industry has mounted effective promotional campaigns for U.S. meats; improved cutting, packaging, and marketing for specific foreign markets; and convinced many foreign consumers about the safety, quality, and versatility of U.S. meat products. In addition, the U.S. government has negotiated successful trade agreements that have created greater access for U.S. meat exports in several countries.

The overall effect of these and other factors has been

- an increase in U.S. beef and beef variety meats from 674,828 metric tons (product weight equivalent) in 1993 to 1.244 metric tons in 2000,
- an increase in U.S. pork and pork variety meat exports from 227,890 metric tons in 1993 to 568,644 metric tons in 2000, and
- an increase in U.S. poultry meat exports from 1.06 million metric tons to 2.81 million metric tons during the period.

I have thoroughly enjoyed reporting on the events that have affected international meat trade and watching the gains that have been made by U.S. meat exports. Fortunately, my new position at MATRIC will allow me to continue to work in the area of meat trade and to continue to work with many of the people who provided so much information and assistance for the newsletter.

Thanks for reading!

Roxanne Clemens
Managing Editor

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would otherwise have been supplied by Uruguay and Argentina. ["Market Briefs." (June 2001):5; "Meat the Market." (June 15, 2001):4]

Australia . . . Meat and Livestock Australia reports that Australian "Airpork" was introduced into the Singapore market in mid-May. A promotion for the chilled, airfreighted pork included an event for supermarket buyers and importers, a TV commercial, and a brochure with recipes. ["Meat the Market." (May 25, 2001):5]

BSE . . . A media report on June 15 indicated that test results have confirmed that a cow in the Czech Republic had contracted BSE. The case is significant because it is the first confirmed case of BSE in an Eastern European country. The following day, it was reported that the other 134 animals in the herd had been slaughtered and tested negative for BSE.

Also on June 15, a media report indicated that a cow born in Britain in May 1997—after the August 1996 ban on livestock feeds containing animal products was implemented—has been confirmed to have BSE. Because the cow was born after the ban was implemented and its mother did not have BSE, experts expressed concern that there may be an as yet unidentified source of transmission for BSE. [Food Safety Net, University of Guelph, Canada, June 16 and 17, 2001]

Canada . . . According to the April 1 census, the Canadian pig inventory was 11.9 million head, down 2.1 percent from the April 1, 2000 census. Inventories in eastern Canada declined by 4.5 percent, and inventories in western Canada increased by 1.6 percent. Quebec, Ontario, Manitoba, and Alberta account for 90 percent of the total pig inventory. The breeding herd was up 0.1 percent, with farrowings up 3.3 during the first quarter and farrowing intentions up 3.7 percent for the second quarter, compared with the same periods in 2000.

Live pig exports to the United States continue at high levels, with the export mix increasingly favoring feeder pigs destined to Midwest finishing operations. This year, higher throughput of slaughter pigs at western Canadian slaughter facilities is expected to result in lower exports of live slaughter pigs, but feeder pig exports are expected to increase by between 20 percent and 25 percent. Total live pig exports are expected to reach 4.6 million head. [USDA/Foreign Agricultural Service. "Voluntary Report." CA1068 (May 3, 2001):2]

FMD . . . Egypt, which has been Ireland's largest third-country market for beef exports, will continue to ban Irish beef at least until October. However, Spain, Italy, Lebanon, and Russia have reopened markets for Irish meat and livestock. Russia regionalized its ban to areas where FMD occurred, and Irish exporters hope to at least equal the 15,000 metric tons of beef and 6,000 metric tons of pork shipped to Russia last year.

Thirty-eight new cases of FMD were reported during the first week of June in Britain. The majority of cases were south of Cumbria, the county where most previous outbreaks had occurred. According to *Agra Europe*, some resurgence in cases had been expected by MAFF officials. [*Agra Europe* No. 1955 (June 8, 2001):N/1, N/2; USDA/Foreign Agricultural Service. "Voluntary Report." EI1007 (May 30, 2001):1]

Hong Kong . . . An outbreak of avian influenza has caused several countries to ban imports of live birds and bird products from Hong Kong and China. The Hong Kong government is assuring consumers that the recent outbreak involves a different strain than the one involved in the 1997 outbreak that killed six people and that this strain will not affect humans.

To prevent further spread of the disease, which affected chickens in seven wet markets, the Hong Kong government closed all retail outlets for four weeks, destroyed all birds at retail and wholesale outlets, and cleaned and disinfected all stalls. Although the flu had not spread to poultry farms, the government decided to destroy live birds that were mature enough to be sold for retail or that would be mature enough for sale during the four weeks the markets were closed. The government will make ex-gratia payments to affected parties, expected to total around U.S. \$10.3 million. Farmers will receive HK\$34 (U.S. \$4.36) per chicken, HK\$30 (U.S. \$3.85) per pigeon, and HK\$8 (U.S. \$1.03) per quail.

Wholesale prices immediately dropped by 20 percent and retailers expected sales to drop by at least 40 percent over the short term. However, consumers reportedly have not overreacted to this latest outbreak, in part because the government has conducted a well-organized and transparent campaign to eradicate the disease. The latest outbreak has renewed calls for a central slaughter policy, but traditional consumers continue to desire freshly slaughtered birds from markets. This demand is slowly changing as younger consumers are becoming more accustomed to purchasing chilled or frozen poultry meat at supermarkets. If a central slaughter policy eventually

is implemented, China is expected to replace domestic suppliers and provide chilled and frozen product. (U.S. values are calculated at HK\$7.79/U.S. \$1.) [USDA/Foreign Agricultural Service. "Voluntary Report." HK1028 (May 17, 2001):1, HK1030 (May 21, 2001):1]

Japan . . . By early May, the price of large-volume orders of Danish pork had increased by 15 percent compared with January prices. The increase was being attributed to pork demand following the outbreaks of foot-and-mouth disease and BSE in the European Union. Although domestic pig prices were remaining relatively steady, analysts are concerned over a possible decline in consumption as a result of foot-and-mouth disease in other countries. [*Japan Agrinfo Newsletter* (May 2001):6]

Japan . . . The Japanese Ministry of Agriculture, Forestry, and Fisheries will be testing broilers, dairy cattle, and pigs that have been fed genetically modified feeds. *Japan's Food and Agriculture* reports that the compensatory testing is a response to consumer concerns over grain imports that contain GM corn not approved for human consumption. According to the article, testing will also be conducted on genetically modified feeds that have been approved as safe. [*Japan's Food and Agriculture* "Special Livestock Edition." (May 2001):4]

Japan . . . In the 10 years since beef import liberalization was implemented via a 70 percent tariff in April 1991, the volume of imported beef has come to account for more than 60 percent of total consumption. By 1995, beef imports had doubled from pre-liberalization levels, reaching 660,000 metric tons. However, in recent years, even with the gradually declining tariff, the rate of increase in imports has slowed. Retailers attribute the decline to the evolution of a split market in Japan, whereby restaurants use imported beef and consumers purchase domestic beef for home consumption. [*Japan Agrinfo Newsletter* 18:10 (June 2001):4]

Mexico . . . In April, 35,000 metric tons of U.S. MDM poultry meat and 17,000 metric tons of U.S. turkey cuts were approved for duty-free import to help meet strong demand—especially from meat processors. The 52,000 metric ton total is in addition to more than 67,600 metric tons already imported by Mexico at the duty-free rate under the NAFTA agreement. [USDA/Foreign Agricultural Service. "Voluntary Report." MX1056 (April 20, 2001):1]

Philippines . . . In April, Philippine President Gloria M. Arroyo reduced tariffs on live cattle from 7 percent to 3 percent to help ease a meat shortage which has resulted from bans on imports of EU beef and pork. Normally, Australia would supply feeder cattle imports, but the relatively weak peso compared to the Australian dollar and high Australian cattle prices make it unlikely that many cattle will be imported.

The Philippine Association of Meat Processors, Inc., has submitted a petition to have import duties on beef reduced from 10 percent to 5 percent and on pork from 30 percent to 15 percent. Given expected opposition from the domestic swine industry, the government is not likely to take immediate action on the petition. [USDA/Foreign Agricultural Service. "Voluntary Report." RP1024 (May 23, 2001):1]

Uruguay . . . Between late April (when FMD was discovered in several locations) and early May, more than 150 cases of FMD were confirmed. The government implemented a voluntary ban on fresh and frozen exports and initiated a blanket vaccination of cattle to control the disease. As a result, USDA/FAS projects Uruguayan beef exports to decline by about one-third, to 150,000 metric tons, from previous expectations for 2001.

The European Union has permitted imports of raw, boneless beef from countries that are not completely clear of FMD and may allow markets to stay open. Argentina and Brazil will be watching EU response to Uruguay because both have had recent outbreaks. NAFTA countries are not expected to reopen markets for at least six months. The U.S. market will not reopen until APHIS has determined that Uruguay is "free of FMD with vaccination," which would make fresh and frozen boneless beef eligible for import. Other countries, such as Japan, South Korea, and Taiwan will require Uruguay to achieve status as "FMD free without vaccination," which is generally obtained if no outbreaks occur for one year after vaccination ceases. [USDA/Foreign Agricultural Service. "Voluntary Report." UY1002 (May 17, 2001):1-2]■

International Meat Prices and Trade Volumes

Canada: Average Montreal wholesale prices^a of pork primals and subprimals, January - April and June 4 - 7, 2001.

	January	February	March	April	June 4 - 7
Ham, Regular	76.06	78.61	89.36	83.83	84.59
Shoulder, Montreal Style	74.25	72.65	80.34	84.70	86.37
Shoulder, New York Style	78.48	77.72	85.58	89.94	92.31
Picnic, Hock Off	64.29	64.02	71.61	76.84	76.87
Belly, Skinless	108.06	122.68	123.71	145.53	127.63
Loin, Trimmed	123.45	122.08	143.50	137.38	150.48
Boneless Back, Trimmed	169.63	166.75	193.28	184.82	201.24
Boneless Back, Short Cut	173.86	171.81	191.53	190.65	192.93
Tenderloin, Trimmed	381.82	377.86	374.33	373.72	376.65
Spare Ribs, Side	143.07	164.07	177.56	170.27	157.61
Hock Shoulder	49.20	48.83	52.98	55.59	44.52

Sources: Agriculture Canada—*Canada Livestock and Meat Trade Report*. Currency exchange rates are averaged from daily rates published in *The Wall Street Journal* (Canadian dollars per U.S. dollar): January = \$1.5028; February = \$1.5233; March = \$1.5583; April = \$1.5584; June 4 - 7 = \$1.5282.

^aPrices are simple weekly averages for bulk sales, retail store door, delivered, converted to U.S. dollars per hundredweight.

Canada: Average Montreal wholesale prices^a of beef and cow meat primals and subprimals, January - April and June 4 - 7, 2001.

	January	February	March	April	June 4 - 7
<i>Beef^b</i>					
Side	150.01	148.58	154.27	154.26	146.33
Forequarter	124.36	123.57	125.45	122.83	111.30
Rib	221.25	222.43	236.36	266.61	276.03
Square Cut Chuck	137.03	136.08	135.93	120.21	106.55
Rack	150.62	149.48	150.78	146.69	137.72
Brisket	77.57	76.23	76.84	76.55	75.09
Short Plate	77.57	76.23	76.84	76.55	75.09
Full Plate	—	—	—	—	—
Hindquarter	178.99	176.87	185.71	190.94	187.29
Long Hip	167.52	166.15	170.57	165.90	161.46
Short Hip	159.37	158.11	164.46	151.64	137.13
Long Loin	244.79	241.49	258.77	298.92	320.26
Short Loin	277.99	274.84	314.07	381.58	403.66
Sirloin	210.08	205.16	210.45	230.81	234.78
Flank	81.50	80.99	83.83	81.79	78.65
Shank	84.82	83.37	86.45	85.28	81.62
<i>Cow Meat</i>					
Inside Round, Regular	154.84	150.67	152.52	153.39	157.01
Outside Round	133.11	133.99	142.34	143.78	147.22
Sirloin Tip-Knuckle	133.11	139.06	146.12	148.44	147.22
Sirloin K-Butt	131.60	130.42	135.06	141.16	146.62
Strip Loin, Regular Trim 6-9	151.52	149.48	148.74	148.44	155.53
Tender Strip Loin, Skinned 3-4	339.87	319.20	310.00	312.89	319.07
Tender Strip Loin, Skinned 4-5	376.69	349.28	334.16	334.14	340.74
Tender Strip Loin, Skinned 5+	400.23	368.63	341.43	341.41	348.16
Rib Eye Roll, 6-8	156.65	148.29	148.16	153.39	153.75
Rib Eye Roll, 8+	174.76	160.20	156.02	160.67	160.28
Boneless Box Beef, 85%	119.53	119.11	131.86	132.72	132.08
Boneless Box Beef, 90%	129.79	128.93	141.46	142.04	140.98
Trimnings, Fresh, 60%-65%	70.33	76.23	88.78	91.39	94.98

Sources: Agriculture Canada—*Canada Livestock and Meat Trade Report*. Currency exchange rates are averaged from daily rates published in *The Wall Street Journal* (Canadian dollars per U.S. dollar): January = \$1.5028 ; February = \$1.5233; March = \$1.5583; April = \$1.5584; June 4 - 7 = \$1.5282.

^aPrices are simple weekly averages for bulk sales, retail store door, delivered, converted to U.S. dollars per hundredweight.

^bGraded Canada 1-2.

Japan: Volume of imported pork, FY1999^a and December 2000 - February 2001.

	FY1999		December		January		February	
	(tons)	(percent diff.) ^b	(tons)	(percent diff.)	(tons)	(percent diff.)	(tons)	(percent diff.)
Carcasses, Fresh or Chilled	67	37.8	6	—	—	—	—	—
Carcasses, Frozen	179	—	—	—	—	—	—	—
Bone-in Cuts, Fresh or Chilled	185	120.6	33	217.6	—	—	4	56.2
Bone-in Cuts, Frozen	622	111.1	35	79.9	69	70.1	111	251.3
Boneless Cuts, Fresh or Chilled	181,301	121.4	16,641	105.1	12,110	93.4	16,085	111.5
Boneless Cuts, Frozen	470,724	118.9	36,603	106.1	41,224	95.2	39,307	89.9
Total ^c	652,929	119.6	53,376	105.9	53,449	94.8	55,473	95.3

Source: *ALIC Monthly Statistics*, 13-2, No. 137, May 2001, p. 15.

^aJapanese fiscal year, April 1 - March 31.

^bDifference as percentage of volume during the same period of the previous year.

^cBoneless cuts equivalent. Total includes edible offal.

Japan: Prices^a of imported pork, FY1999^b and December 2000 - February 2001.

	FY1999		December		January		February	
	(price)	(percent diff.) ^c	(price)	(percent diff.)	(price)	(percent diff.)	(price)	(percent diff.)
Carcasses, Fresh or Chilled	176.01	107.3	225.97	118.0	204.14	118.9	399.88	207.9
Carcasses, Frozen	177.20	36.8	—	—	—	—	—	—
Bone-in Cuts, Fresh or Chilled	217.42	97.1	228.39	103.7	202.59	95.9	253.69	120.1
Bone-in Cuts, Frozen	215.43	96.3	212.22	97.8	210.72	101.2	205.22	97.8
Boneless Cuts, Fresh or Chilled	217.02	92.2	215.45	99.5	208.40	100.3	211.47	100.6
Boneless Cuts, Frozen	214.23	97.6	212.14	97.8	203.36	97.8	205.61	98.0
Average ^d	215.03	96.1	213.44	98.3	204.91	98.4	207.56	98.8

Source: *ALIC Monthly Statistics*, 13-2, No. 137, May 2001, p. 15. Currency exchange rates are from the International Monetary Fund's *International Financial Statistics*. Japanese yen per U.S. dollar: 1999 = 113.91, December = 112.21, January = 117.10, February = 116.04.

^aImport prices are average values, CIF, in U.S. dollars per hundredweight.

^bJapanese fiscal year, April 1 - March 31.

^cDifference as percentage of value during the same period of the previous year, before conversion to U.S. dollars.

^dBoneless cuts equivalent. Total includes cheek meat, head meat, and cooked meat.

Japan: Volume^a of imported pork, by origin, FY1999^b and January - February 2001.

Origin	FY1999			January			February		
	Fresh or Chilled	Frozen	Total	Fresh or Chilled	Frozen	Total	Fresh or Chilled	Frozen	Total
United States									
Tons	117,690	58,846	176,628	7,889	7,532	15,457	10,572	8,458	19,030
Percent Difference ^c	114.2	94.5	106.8	94.8	132.6	110.4	115.9	149.9	128.9
Percent Share	64.9	12.5	27.1	65.1	18.2	28.9	65.7	21.5	34.3
Canada									
Tons	31,596	63,827	95,450	2,913	6,910	9,838	3,917	9,583	13,500
Percent Difference	148.6	139.7	142.6	121.3	147.3	138.7	146.6	216.5	190.2
Percent Share	17.4	13.5	14.6	24.1	16.7	18.4	24.3	24.3	24.3
Korea, Republic of									
Tons	21,731	53,796	75,535	—	—	—	—	—	—
Percent Difference	107.6	73.5	80.9	—	—	—	—	—	—
Percent Share	12.0	11.4	11.6	—	—	—	—	—	—
Denmark									
Tons	376	209,023	209,399	28	18,719	18,747	53	13,288	13,341
Percent Difference	180.3	144.0	144.0	70.8	91.4	91.4	388.2	59.1	59.3
Percent Share	0.2	44.4	32.1	0.2	45.4	35.1	0.3	33.7	24.0
Other Origins									
Tons	10,085	85,792	95,918	1,280	8,111	9,407	1,546	8,056	9,601
Percent Difference	209.6	122.7	128.3	170.3	106.2	112.1	157.7	105.1	110.9
Percent Share	5.6	18.2	14.7	10.6	19.7	17.6	9.6	20.5	17.3
Total Imports									
Tons	181,477	471,284	652,929	12,110	41,272	53,449	16,088	39,385	55,473
Percent Difference	121.4	119.0	119.6	93.3	95.1	94.8	111.4	90.0	95.3

Source: *ALIC Monthly Statistics*, 13-2, No. 137, May 2001, p. 17.

^aBoneless cuts equivalent, including edible offal. Totals may not add due to rounding.

^bJapanese fiscal year, April 1 - March 31.

^cDifference as percentage of volume during the same period of the previous year.

Japan: Traders' prices^a of imported pork, half-month ending April 30, 2001.

Cut	Country of Origin			
	United States	Denmark	Canada	South Korea
Boneless Loin Roast				
Chilled	262.68	—	—	—
Frozen	—	249.38	244.21	—
Tenderloin				
Chilled	365.02	—	—	—
Frozen	364.65	370.93	378.32	—
Boneless Shoulder Roast				
Chilled	263.79	—	—	—
Frozen	128.20	232.02	248.64	—

Sources: USDA / AMS Livestock and Grain Market News; Agriculture & Livestock Industries Corp. (Japan).

^aU.S. dollars per hundredweight using a currency exchange rate of 122.77 yen/U.S. \$1.

Japan: Retail prices^a of selected domestic and imported pork cuts, February 2001.

Cut	National Average Domestic Pork	National Average Imported Pork	Tokyo Price (including tax)
Shoulder	445.24	348.30	552.94
Loin	804.31	599.64	825.82
Ham	585.28	380.61	—

Sources: USDA/AMS Livestock and Grain Market News; Agriculture & Livestock Industries Corp. (Japan).

^aU.S. dollars per hundredweight using a currency exchange rate of 126.33 yen/U.S. \$1. National average prices do not include tax.

Japan: Retail prices^a of selected domestic and imported pork cuts, March 2001.

Cut	National Average Domestic Pork	National Average Imported Pork	Tokyo Price (including tax)
Shoulder	460.45	351.89	—
Loin	842.30	636.40	—
Ham	606.45	441.74	—

Sources: USDA/AMS Livestock and Grain Market News; Agriculture & Livestock Industries Corp. (Japan).

^aU.S. dollars per hundredweight using a currency exchange rate of 121.17 yen/U.S. \$1. National average prices do not include tax.

Japan: Pork supply and demand, February - March 2001.

	February		March	
	(metric tons)	(percent diff. ^a)	(metric tons)	(percent diff.)
Estimated Beginning Stocks	99,735	125.0	110,390	113.4
Production	69,134	95.1	73,507	94.6
Imports	55,473	95.3	68,336	108.9
Exports	—	—	—	—
Estimated Ending Stocks	110,390	113.4	124,309	112.8
Imported	91,716	114.1	104,789	112.8
Domestic	18,674	110.2	19,520	112.9
Estimated Marketings	113,952	100.5	127,923	100.3
Imported	45,586	110.9	55,293	110.0
Domestic	68,366	94.6	72,661	94.0

Sources: USDA/AMS Livestock and Grain Market News; Agriculture & Livestock Industries Corp. (Japan).

^aDifference as a percentage of volume during same month of the previous year.

Japan: Volume^a of imported beef, by origin, FY1999^b and January - February 2001.

Origin	FY1999			January			February		
	Fresh or Chilled	Frozen	Total	Fresh or Chilled	Frozen	Total	Fresh or Chilled	Frozen	Total
United States									
Tons	136,592	194,829	331,555	9,339	14,691	24,040	11,217	11,470	22,693
Percent Difference ^c	107.1	97.3	101.1	104.1	91.4	95.9	110.0	81.3	93.4
Percent Share	40.6	56.4	48.6	44.3	54.4	50.0	39.5	58.4	47.2
Canada									
Tons	3,916	14,479	18,413	317	1,493	1,810	371	923	1,294
Percent Difference	157.6	122.5	128.8	98.9	115.2	112.0	101.7	120.2	114.3
Percent Share	1.2	4.2	2.7	1.5	5.5	3.8	1.3	4.7	2.7
Australia									
Tons	192,090	121,539	314,140	11,137	9,955	21,128	16,439	6,421	22,879
Percent Difference	104.1	90.6	98.5	102.1	83.1	92.1	115.3	74.6	99.9
Percent Share	57.1	35.2	46.0	52.9	36.9	43.9	57.9	32.7	47.6
New Zealand									
Tons	3,516	10,446	13,979	280	792	1,072	369	805	1,175
Percent Difference	69.1	78.0	75.6	99.8	118.1	112.7	112.5	95.3	100.0
Percent Share	1.0	3.0	2.0	1.3	2.9	2.2	1.3	4.0	2.4
Other Origins									
Tons	63	3,868	4,500	—	60	70	2	24	33
Percent Difference	72.5	249.8	211.7	—	8.7	9.7	79.2	2.8	3.7
Percent Share	—	1.1	0.7	—	0.20	0.1	—	0.1	—
Total Imports									
Tons	336,176	345,161	682,588	21,072	26,991	48,120	28,399	19,642	48,074
Percent Difference	105.2	95.6	100.1	102.9	87.9	93.8	112.9	78.0	95.4

Source: *ALIC Monthly Statistics*, 13-2, No. 137, May 2001, p. 9.

^aBoneless cuts equivalent, including cheek meat, head meat, and cooked meat. Totals may not add due to rounding.

^bJapanese fiscal year, April 1 - March 31.

^cDifference as percentage of volume during the same period of the previous year.

Japan: Prices^a of selected U.S. choice boxed beef cuts in Japan (port and wholesale) compared with U.S. wholesale prices, mid-April and mid-May 2001.

Boxed IMPS Number	Cut	Week Ending	Week Ending		Mid-month Ending	
		<u>April 14</u>	<u>April 13</u>	<u>April 15</u>	<u>Wholesale Price</u>	
		U.S. Wholesale, Equated to FOB Omaha Basis ^b	Japan, C&F Port, Frozen ^c		Frozen	Chilled
112A	Ribeye Roll, Lip On	—	493.00	508.00	680.95	712.39
114	Chuck, Shoulder Clod	114.94	130.00	145.00	217.50	267.66
116	Square Cut Chuck, Clod Off	—	—	—	208.51	—
116A	Chuck Roll	134.65	145.00	160.00	232.47	—
116B	Chuck Tender	—	149.00	154.00	—	—
120	Brisket, Bnls. Deck Off	105.49	114.00	129.00	194.66	246.70
121B	Short Plate, Bnls.	—	—	—	141.51	—
167	Knuckle	152.79	164.00	179.00	—	—
168	Top (Inside) Round	149.67	161.00	176.00	—	—
170	Bottom (Gooseneck) Round	—	143.00	158.00	—	—
180	Strip Loin, Short Cut Bnls.	496.39	368.00	383.00	522.60	743.47
184	Top Sirloin Butt	255.48	245.00	260.00	—	—
189	Full Tenderloin	—	820.00	835.00	898.82	—
189A	Tenderloin, Trimmed	—	—	—	1,018.24	1,179.96
	Chuck Eye Roll	—	—	—	249.69	257.56
	Short Rib, Boneless	—	—	—	644.64	715.39
	Chuck Rib	—	—	—	236.59	—

Boxed IMPS Number	Cut	Week Ending	Week Ending		Mid-month Ending	
		<u>May 12</u>	<u>May 11</u>	<u>May 15</u>	<u>Wholesale Price</u>	
		U.S. Wholesale, Equated to FOB Omaha Basis ^b	Japan, C&F Port, Frozen ^c		Frozen	Chilled
112A	Ribeye Roll, Lip On	525.34	550.00	565.00	719.73	791.21
114	Chuck, Shoulder Clod	102.82	115.00	130.00	209.87	269.95
116	Square Cut Chuck, Clod Off	—	—	—	206.07	—
116A	Chuck Roll	111.26	122.00	137.00	221.66	—
116B	Chuck Tender	114.57	125.00	140.00	—	—
120	Brisket, Bnls. Deck Off	96.67	108.00	123.00	196.19	263.10
121B	Short Plate, Bnls.	—	—	—	141.82	—
167	Knuckle	122.38	138.00	153.00	—	—
168	Top (Inside) Round	150.47	152.00	167.00	—	—
170	Bottom (Gooseneck) Round	—	129.00	144.00	—	—
180	Strip Loin, Short Cut Bnls.	574.81	446.00	450.00	515.56	837.97
184	Top Sirloin Butt	311.33	280.00	295.00	—	—
189	Full Tenderloin	—	867.00	882.00	928.84	—
189A	Tenderloin, Trimmed	831.71	—	—	1,070.28	1,232.62
	Chuck Eye Roll	—	—	—	238.01	253.98
	Short Rib, Boneless	—	—	—	649.01	752.81
	Chuck Rib	—	—	—	231.93	—

Sources: USDA/AMS Livestock and Grain Market News; Agriculture & Livestock Industry Corp. (Japan).

^aU.S. dollars per hundredweight. Currency exchange rate for Japanese wholesale price is 121.17 yen/U.S. \$1 for mid-April and 119.30 yen/U.S. \$1 for mid-May.

^bPrices are weighted weekly averages of choice boxed beef from USDA's Weekly National Carlot Meat Report.

^cPrices are high and low of trading period, C&F, within 45 days of delivery to Japanese port.

Japan: Wholesale prices^a of Australian beef, half-month ending April 15 and April 30, 2001.

Cut	Chilled		Aged		Frozen	
	Apr. 15	Apr. 30	Apr. 15	Apr. 30	Apr. 15	Apr. 30
Grain-fed Full Set	222.74	222.78	—	—	—	—
Full Set	199.16	193.59	—	—	—	—
Chuck Roll	168.83	159.24	—	—	—	—
Clod	156.11	150.74	—	—	—	—
Chuck Tender	168.08	162.19	—	—	—	—
Brisket P/E	135.52	133.37	—	—	—	—
Brisket N/E	126.53	124.51	—	—	—	—
Strip Loin	334.30	327.71	272.16	273.77	—	—
Tenderloin	749.83	737.06	591.85	597.04	—	—
Rump	192.04	188.05	—	—	—	—
Knuckle	157.98	153.32	—	—	179.69	180.66
Top Side	162.47	155.54	—	—	179.69	180.66
Silver Side	151.99	147.78	155.36	156.28	—	—
Full Brisket	—	—	—	—	123.16	—
Chuck and Blade	—	—	—	—	147.50	150.00
Cow Meat	—	—	—	—	125.03	127.09

Sources: USDA/AMS Livestock and Grain Market News; Agriculture & Livestock Industry Corp. (Japan).

^aU.S. dollars per hundredweight using a currency exchange rate of 121.17 yen/U.S. \$1 for Apr. 15 values and 122.77 yen/U.S. \$1 for Apr. 30 values. Except for the grain-fed fullset prices, all prices for chilled and frozen beef are for grass-fed beef.

Japan: Bargain and regular retail prices^a of selected beef cuts, March 2001.

Cut	Japanese Wagyu		Japanese Other		United States		Australia	
	Bargain	Normal	Bargain	Normal	Bargain	Normal	Bargain	Normal
Chuck	1,411.31	2,021.51	905.94	1,216.65	561.53	838.55	426.76	688.81
Brisket	1,407.57	1,834.33	861.01	1,209.16	636.40	992.04	482.92	632.66
Sirloin	3,238.16	4,338.76	1,811.87	2,354.68	1,014.50	1,430.03	875.99	1,317.72
Round	1,519.88	2,025.25	920.91	1,377.62	505.38	861.01	389.33	658.86

Source: *ALIC Monthly Statistics*, 13-2, No. 137, May 2001, p. 11.

^aU.S. dollars per hundredweight using a currency exchange rate of 100.00 yen/U.S. \$1.

Japan: Beef supply and demand, February - March 2001.

	February		March	
	(metric tons)	(percent diff. ^a)	(metric tons)	(percent diff. ^a)
Estimated Beginning Stocks	104,123	104.5	102,550	105.8
Production	27,267	91.8	27,665	88.3
Imports	48,074	95.4	70,577	151.9
Exports	5	13.1	7	31.2
Estimated Ending Stocks	102,550	105.8	108,663	116.5
Imported	88,370	106.2	94,483	116.6
Domestic	14,180	103.6	14,150	115.5
Estimated Marketings	76,908	92.9	92,153	113.2
Imported	48,740	90.5	64,464	132.5
Domestic	28,169	97.2	27,689	84.6

Source: *ALIC Monthly Statistics*, 13-2, No. 137, May 2001, p. 5.

^aDifference as percentage of volume during the same month of the previous year.

Japan: Cattle and hog slaughter, weeks^a ending April 6 - April 27, 2001.

	Week Ending			
	April 6	April 13	April 20	April 27
Cattle, Total	25,820	24,860	27,570	26,240
Wagyu, Total	12,210	11,840	13,190	12,520
Cows and Heifers	5,900	6,040	6,790	6,280
Steers	6,290	5,790	6,350	6,240
Bulls	20	10	50	0
Dairy, Total	13,540	12,920	14,300	13,720
Cows and Heifers	7,100	6,710	7,250	6,830
Bulls	6,440	6,210	7,050	6,890
Other, Total ^b	70	100	80	0
Hogs, Total	310,700	376,400	334,400	351,200

Sources: USDA/AMS Livestock and Grain Market News; Agriculture & Livestock Industry Corp. (Japan).

^aBased on slaughter totals from Saturday through Friday.

^bBeef breeds and crosses other than pure Wagyu.

Japan: Cattle and hog slaughter, weeks^a ending May 4 - May 25, 2001.

	Week Ending			
	May 4	May 11	May 18	May 25
Cattle, Total	7,520	27,550	24,830	23,440
Wagyu, Total	3,490	13,480	11,460	10,500
Cows and Heifers	1,610	6,530	6,030	5,420
Steers	1,870	6,940	5,400	5,050
Bulls	10	10	30	30
Dairy, Total	4,030	14,000	13,370	12,940
Cows and Heifers	1,890	7,350	7,000	6,210
Bulls	2,140	6,650	6,370	6,730
Other, Total ^b	0	70	0	0
Hogs, Total	157,100	344,800	327,600	315,300

Sources: USDA/AMS Livestock and Grain Market News; Agriculture & Livestock Industry Corp. (Japan).

^aBased on slaughter totals from Saturday through Friday.

^bBeef breeds and crosses other than pure Wagyu.

Japan: Volume and import price of broiler meat,^a by type of product, FY1999^b and December 2000 - February 2001.

	FY1999	December	January	February
Fresh or Chilled				
Not Cut in Pieces				
Tons	11	15	—	—
Percent Difference ^c	146.1	221.3	—	—
Import Price ^d	193.92	196.46	—	—
Percent Difference	93.8	97.1	—	—
Legs, Bone-in				
Tons	491	357	11	—
Percent Difference	85.2	127.6	94.1	—
Import Price	76.06	71.95	68.95	—
Percent Difference	78.7	91.6	96.3	—
Other				
Tons	16,236	2,230	1,280	1,514
Percent Difference	117.9	113.3	111.8	134.3
Import Price	89.60	78.83	79.41	78.57
Percent Difference	81.1	94.6	100.7	96.9
Frozen				
Not Cut in Pieces				
Tons	4,929	285	348	275
Percent Difference	112.8	115.7	344.0	94.5
Import Price	69.69	66.70	64.30	64.50
Percent Difference	77.3	88.1	95.4	97.4
Legs, Bone-in				
Tons	72,407	5,719	4,514	3,326
Percent Difference	92.2	110.7	147.4	97.3
Import Price	48.18	53.36	64.30	48.86
Percent Difference	73.7	115.6	122.3	116.5
Other				
Tons	458,820	41,893	34,242	30,216
Percent Difference	111.2	100.6	97.7	84.2
Import Price	76.85	64.68	66.24	64.89
Percent Difference	78.9	98.6	106.8	101.0
Total Imports (tons)				
	552,894	50,499	40,394	35,330
Percent Difference	108.4	102.5	102.6	86.7
Average Import Price	73.27	64.27	64.69	63.72

Source: ALIC *Monthly Statistics*, 13-2, No. 137, May 2001, p. 21. Currency exchange rates are from the International Monetary Fund's *International Financial Statistics*. Japanese yen per U.S. dollar: 1999 = 113.91, December = 112.21, January = 117.10, February = 116.04.

^aImports of meat and edible offal of fowls of the species *Gallus domesticus*.

^bJapanese fiscal year, April 1 - March 31.

^cDifference as percentage of volume and value (before conversion to U.S. dollars) during the same period of the previous year.

^dCIF, U.S. cents per pound.

Japan: Wholesale and retail broiler meat prices^a, FY1999^b and January - March 2001.

	FY1999	January (U.S. cents per pound)	February	March
Tokyo Wholesale Price				
Leg	240.12	271.92	263.07	232.56
Percent Difference ^c	96.2	107.7	111.6	101.8
Breast	91.19	83.67	76.61	73.78
Percent Difference	83.6	101.9	96.1	99.0
Tokyo Retail Price, Leg	461.91	441.58	453.43	438.16
Percent Difference	100.0	97.4	99.1	100.9

Source: *ALIC Monthly Statistics*, 13-2, No. 137, May 2001, p. 22. Currency exchange rates are from the International Monetary Fund's *International Financial Statistics*. Japanese yen per U.S. dollar: 1999 = 113.91, January = 117.10, February = 116.04, March = 121.12.

^aIncludes consumption tax.

^bJapanese fiscal year, April 1 - March 31.

^cDifference as percentage of value during the same period of the previous year, calculated from Japanese values before conversion to U.S. dollars.

New Zealand: Beef export slaughter rate, weeks ending March 3 - May 26, 2001.

	Week Ending				
	March 3	March 10	March 17 (head)	March 24	March 31
Export Slaughter	33,000	34,000	43,000	55,000	61,000
		April 7	April 14	April 21	April 28
Export Slaughter		50,000	54,000	55,000	65,000
		May 5	May 12	May 19	May 26
Export Slaughter		65,000	63,000	60,000	63,000

Sources: USDA / AMS Livestock and Grain Market News; Agri-Fax, New Zealand.

New Zealand: Beef market commentary, weeks ending April 9 - June 4, 2001.

Week Ending	Comments
April 9	Argentina has opted for vaccination to control its FMD outbreak. This process is expected to take 4 years and largely removes Argentine beef from world markets.
April 23	The improvement in the U.S. beef market continued last week. Reasons for the 10 percent lift include processors looking forward to increased summer consumption, low frozen inventories, low U.S. cow kill, and improved consumer economic sentiment. A weaker U.S. dollar offset improved U.S. prices.
April 30	Uruguay has joined Argentina in halting all beef exports as they, too, reported a fresh outbreak of FMD. This is a huge blow to Uruguay, which had been FMD-free since 1995. Effects of the export ban were most noticeable in Canadian manufacturing meat prices, now almost on a par with U.S. prices.
May 7	The downtrend in the U.S. beef market continued last week. Slow retail sales and increased supply of domestic cow and chucks were the main reasons for the decline, along with the normal high May output from New Zealand and Australia. With Canadian prices on par with U.S. prices, exporters are taking the opportunity to divert extra product away from the quota-controlled U.S. market.
May 14	Exporters are a little nervous about the short-term market direction because the bulge in U.S. feedlot supplies is starting to occur, mainly as a result of improved feedlot performance after the unusually harsh winter. Domestic manufacturing prices have eased 14 cents per pound over the last four weeks. Other markets remain steady to firm.
May 21	With U.S. beef importers off to their biannual conference, the U.S. beef market was quiet last week. Bull held its own, but cow drifted down 1 cent per pound. Demand from Canada held its own, but cow drifted down 1 cent per pound. Demand from Canada has eased considerably, mainly as a result of large volumes of Australian cow on offer. In spite of this, New Zealand has doubled its share of the Canadian market so far this year, mainly at the expense of Argentina, and is now the dominant beef exporter after slipping to fourth at this time last year.
May 30	As expected, the U.S. market was quiet in the run-up to the Memorial Day weekend. New Zealand cow and bull prices both drifted down, with U.S. importers and wholesalers having completed their buying programs. As a result of weak Asian demand and high Australian offerings, many cut prices have declined. Exporters expect 2001 to finish on a stronger note as global beef production declines and a hoped-for improvement in consumer confidence occurs.
June 4	Prices for manufacturing beef in the United States eased for imported and domestic beef last week after lower-than-expected Memorial weekend consumption. Australia currently has plenty of beef to sell and, with their weakening currency, are happy to accept lower U.S. prices. Compared to a year ago, prices for imported beef are the same, while U.S. domestic beef is up 11 percent. The weaker New Zealand dollar (down 3 percent) ensured that overall returns were not reduced, with Agri-Fax market indicators up 4 cents per kilogram for cow and 8 cents for bull, with steers unchanged.

Sources: USDA / AMS Livestock and Grain Market News; Agri-Fax, New Zealand.

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Meat Export Research Center

Iowa State University

215F Meat Lab

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Roxanne Clemens
Managing Editor
Meat Export Research Center
Iowa State University
215F Meat Lab
Ames, IA 50011-3150
Phone: (515) 294-8842
Fax: (515) 294-5066
email: rclemens@iastate.edu

Internet site = <http://www.ag.iastate.edu/centers/merc/news>

IOWA STATE UNIVERSITY
OF SCIENCE AND TECHNOLOGY