

Frequently Asked Questions Imports and Exports

There has been a lot of conversation about international beef trade recently. Here are some answers to commonly asked questions about global imports and exports.

Imports

Question: *Why are we importing beef, we produce all we need right here in the United States?*

Answer: We do produce plenty of beef here, but in order to produce the massive amount of hamburger that people in the US eat, we have to import lean beef trimmings. We produce high quality grain-finished beef, and as a result we produce a lot of fatty trimmings. Our industry no longer produces enough commercial beef to meet demand for lean beef trimmings. We import lean beef trimmings to combine with our fatty trimmings to meet strong domestic demand for ground beef.

Question: *Can't we just stop importing beef?*

Answer: Without imported beef trimmings, one of several outcomes would impact the U.S. beef industry:

- Less ground beef would be produced, reducing the value of the nearly 150 pounds of fed trim from each carcass;
- Approximately 10 to 15 percent of steers and heifers would need to be raised and slaughtered as non-fed beef for lean - similar to Australian range beef - and would be valued roughly the same as cow carcasses;

or

- Additional lean from fed carcasses could be ground for hamburger rather than being used for whatever higher value it currently might possess.
- Not to mention, we would lose the value of our exported meats (tongue and organs) because we would possibly need to grind those for hamburger.

Question: *What do we import?*

Answer: We import calves from Mexico, calves and fed cattle from Canada, lean beef trimmings from Australia, New Zealand, Canada, and Mexico. The small remainder (17 percent) of imports come from 14 countries and consist of lean beef trimmings, not muscle cuts, used to make ground beef.

Question: *Why do we import live cattle?*

Answer: Live cattle imports during certain times of the year allow feedyards and packing facilities to minimize disruptions in supply due to the seasonality of cattle production in the United States.

Question: *Is the United States flooded with beef imports?*

Answer: No. Less than 11 percent of beef consumed by Americans is imported.

- Total 2020 Estimated Domestic Consumption = 12,389,000 Metric Tons
- Total 2020 Estimated Domestic Production = 12,515,000 Metric Tons
- Total 2020 Estimated Beef Imports = 1,334,000 Metric Tons
- Total 2020 Estimated Beef Exports = 1,433,000 Metric Tons

Question: *Is the United States flooded with live cattle imports?*

Answer: No. The total U.S. cattle herd is 94 million head. In 2019 we imported 2 million head of cattle.

Question: *Are we being flooded with Brazilian beef imports?*

Answer: No. Brazil represents less than 5 percent of 2019 imports...and none of that beef was fresh, it was all cooked. Brazil will send its first shipment of fresh beef to the United States in May. Most of our fresh and frozen beef imports come from Canada, Australia, Mexico and New Zealand.

Question: *Does the US import beef from China?*

Answer: Chinese beef is not approved for the U.S. market and zero beef from China is imported to the United States.

Question: *Are beef imports safe?*

Answer: Yes. All countries must go through a rigorous USDA audit process and must prove their food safety systems are equivalent to the U.S. system before they are eligible to ship beef to the United States. Furthermore, all imported beef is inspected at the port-of-entry before it is allowed into the stream of commerce.

Exports

Question: *What does the U.S. cattle and beef industry export?*

Answer: Feeder cattle to Canada, muscle cuts and offal to Asia, Mexico, and Canada.

Question: *Why do we export beef?*

Answer: We export a lot of cuts Americans don't consume, like tongues, rounds and offal. Foreign consumers are willing to pay a much higher price for these cuts than we can fetch in the domestic market-which adds value to each head of cattle we produce. We also export high-quality beef overseas for hotel and restaurant trade, where consumers are willing to pay a premium. In short, the market allows every cut of beef or beef product to flow to the market where it will sell at the best price.

Question: *How much beef did we export in 2019?*

Answer: 1.37 million metric tons / Value = \$8 billion

- Despite challenges, beef exports were on record pace through February
 - \$681 million in value for February 2020 (17% higher than February 2019)
 - \$1.35 billion in value through February (11% higher than a year ago)
 - 112,021 metric tons (247 million pounds) in volume for February 2020 (18% higher than February 2019)
 - 219,395 metric tons (483.7 million pounds) in volume through February (10% higher than a year ago)
- Top U.S. Beef Export Markets
 - Japan – 52,304 mt (up 10%) / valued at \$329.5 million (up 7%)
 - South Korea – 41,326 mt (up 16%) / valued at \$298.4 million (up 14%)
 - Mexico - 41,862 mt (up 5%) / valued at \$217 million (up 10%)
 - Hong Kong/China - 12,501 mt (down 16%) / valued at \$111.2 million (down 8%) / direct exports to China up 12% in volume (1,408 mt) and 4% in value (\$10.4 million), and will benefit from expanded access that began in late March
 - Canada - 18,603 mt (up 17%) / valued at \$112.9 million (up 15%)
 - Taiwan - 10,051 mt (up 20%) / valued at \$86.2 million (up 17%)
- Measuring Beef Export Value
 - Exports accounted for 15.3% of total U.S. beef production in February, 14.1% year-to-date
 - Up from 13.9% in February 2019
 - Up from 13.5% year-to-date
 - Export value of \$343.03 per head of fed slaughter in February, \$321.86 year-to-date
 - Up 11% from February 2019 and the highest in 14 months
 - Up 7% from a year ago

For more information on this press release, email info@kycattle.org