International Agricultural Trade Report

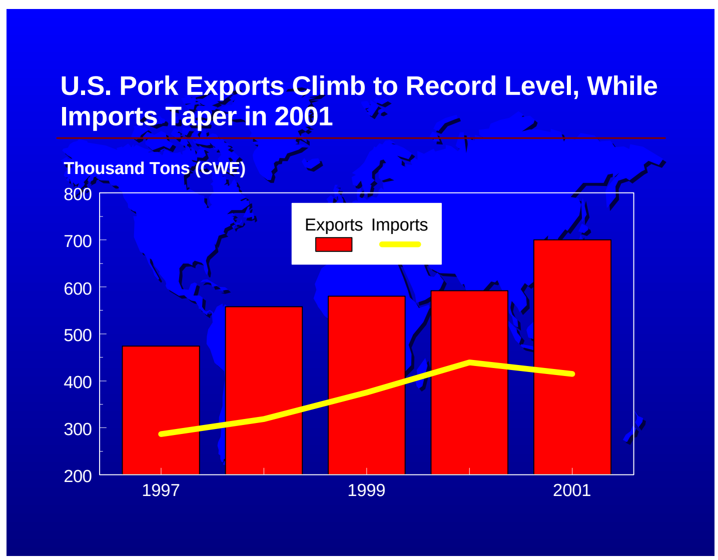
August 13, 2001

U.S. Pork Exports for 2001 Revised Upwards Again

U.S. Pork Exports Forecast at Record Level; U.S. Hog Imports Soar

U.S. pork exports for 2001 are forecast at a record level, up 18 percent from last year, and the largest yearly percent change since 1998. Sales to Japan (accounting for nearly 50 percent of the total) for the first 5 months are up 37 percent from the previous year. In addition, sales to Canada and Mexico are also at a record setting pace. Pork imports are forecast down 5 percent from the previous year as Canada shifts its marketing focus away from the United States to Japan, Russia, Mexico, and as U.S. imports from the European Union (EU) are down due to foot-and-mouth disease (FMD). Hog imports (mostly feeder pigs from Canada) are still growing at a record pace, while U.S. hog exports are stifled by the continued Mexican compensatory duty on hogs.

Pork Exports Supported by Strong Sales to Japan, Canada, and Mexico ...



U.S. pork exports continue to grow and are forecast to reach a record 700,000 tons (carcass weight equivalent) for 2001. The record setting pace of pork exports to-date is due to increased sales to Japan, Canada, and Mexico. However, pork exports to Japan are expected to slow starting in August as Japan's gate price is triggered and pork imports will be assessed an additional 24 percent duty. From August 2001 to March 2002, U.S. pork exports to Japan are expected to moderate as the recent run-up in Japan's stocks are used to supplement imports. January-May trade data shows that U.S. exports to Japan shifted from a 70/30 chilled/frozen pork ratio a year ago last May to a near 50/50 ratio this May as exporters sought to take market share from the EU. Also, exports to Canada are up about 50 percent from last year as U.S. exporters fill Canada's market as Canada continues to expand its export market at the expense of its domestic market. Mexico continues to increase its purchases of U.S. pork – expanding about 30 percent during the first 5 months. The Mexican pork market may become more competitive the last half of the year as Canada may be looking to export pork to other markets due to Japan's gate price duty.

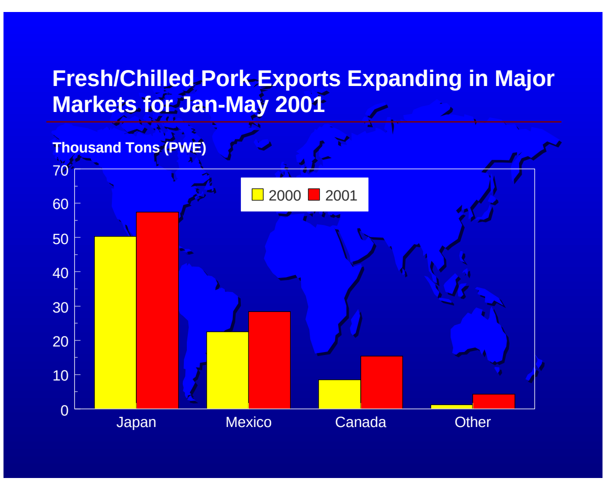
While U.S. Pork Imports Soften.

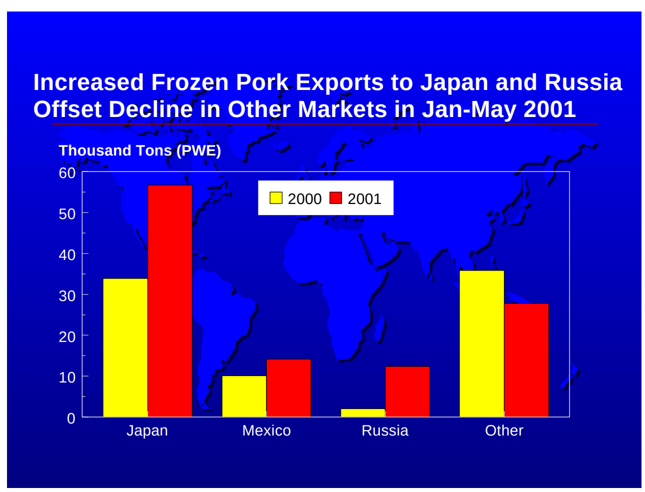
U.S. pork imports for 2001 are forecast to fall 5 percent from last year to 415,000 tons. Most of the decline can be attributed to a drop in imports from Canada. About 80 percent of U.S. pork imports come from Canada. Canada may be shorting its domestic and U.S. market in order to advance its market presence in other countries, namely Japan, Russia, and Mexico. Imports are down 7 percent from Canada during the first 5 months of 2001. Pork imports from the EU are down 35 percent from a year ago due mostly to import restrictions imposed following the outbreak of FMD in Europe. Although the FMD ban was lifted in late May, pork imports are not expected to fully recover and make up for reduced imports during the months of April and May.

U.S. Importing Hogs at Record Pace as Hog Exports Plunge

Hog imports from Canada are coming into the United States at record levels - up 27 percent from last year. For 2000, total live hog imports were 4.4 million head. For the month of May, according to U.S. trade data, a record monthly total of 438,539 hogs were imported from Canada, making the year-to-date total 2.1 million head. Nearly 60 percent of the hogs imported are feeder and this percent is increasing. This is attributed to structural changes in the U.S. mid-west pig industry, the weak Canadian dollar, and contractual agreements. Another significant factor that continues to send feeder hogs to the United States is environmental issues in the Provinces which constrain the construction of finishing operations. Without new facilities, and with increasing Canadian hog production, this trend is expected to continue. (See June 18, IATR on Canadian Hog Industry http://www.FAS.USDA.GOV/dlp/highlights/2001/iatr-0618.pdf)

Hog exports are still stifled by the Mexican compensatory duty on hogs under 110 kg. Hog exports to Mexico were off a staggering 97 percent (Jan -May) from a reduced 2000 year sales level to only 1,554 head. Only two years ago, annual hog exports to Mexico were 160,000 head and comprised about 90 percent of the total U.S. hog exports, today it is about 25 percent of the total. On July 6, Mexico announced that it had reviewed the compensatory duties related to the final antidumping resolution on the imports of live hogs for slaughter under 100 kg and determined that the duties will be continued.





For more information contact Tim Rocke at (202) 720-7715 or Yoonhee Macke at (202) 720-8252 or contact DLP@fas.usda.gov

US Pork Exports by Destination

product weight equivalent

Destination	Cuts	Annual (MT)		Jan-May (MT)		Jan-May (Value)	
		1999	2000	2000	2001	2000	2001
World	Pork; Fresh/Chilled	160,910	211,175	82,542	105,545	$294,319,746	$325,911,191
	Pork; Frozen	225,492	188,274	81,972	111,040	$176,570,088	$223,810,896
	Pork: cured	30,322	28,808	9,615	12,804	$23,033,870	$31,234,255
	Pork:prep/pres	17,575	16,523	5,702	8,692	$18,756,987	$25,453,115
	Grand Total	**434,300**	**444,780**	**179,830**	**238,081**	**$512,680,691**	**$606,409,457**
Japan	Pork; Fresh/Chilled	99,474	119,596	50,311	57,429	$226,720,547	$234,213,377
	Pork; Frozen	80,736	72,889	33,915	56,722	$94,363,009	$135,870,451
	Pork: cured	1,573	3,301	916	981	$3,409,309	$3,912,847
	Pork:prep/pres	2,825	2,842	919	1,777	$2,913,601	$4,910,617
	Total	**184,608**	**198,628**	**86,061**	**116,909**	**$327,406,466**	**$378,907,292**
Mexico	Pork; Fresh/Chilled	38,193	63,717	22,492	28,375	$45,787,808	$49,444,619
	Pork; Frozen	13,267	31,121	10,126	14,159	$16,448,175	$24,317,372
	Pork: cured	8,058	12,465	3,554	4,333	$5,517,602	$8,795,518
	Pork:prep/pres	1,331	1,920	664	1,301	$2,138,988	$4,017,187
	Total	**60,849**	**109,223**	**36,836**	**48,168**	**$69,892,573**	**$86,574,696**
Canada	Pork; Fresh/Chilled	17,081	24,222	8,517	15,431	$19,243,878	$32,910,587
	Pork; Frozen	12,639	9,404	4,769	5,358	$11,010,263	$11,328,670
	Pork: cured	5,244	7,039	2,344	3,956	$7,887,412	$11,158,612
	Pork:prep/pres	4,763	5,034	1,954	2,356	$8,083,387	$10,087,327
	Total	**39,727**	**45,699**	**17,584**	**27,101**	**$46,224,940**	**$65,485,196**
Korea	Pork; Fresh/Chilled	966	448	179	104	$495,201	$365,034
	Pork; Frozen	15,025	11,991	5,882	3,458	$12,748,984	$5,239,290
	Pork: cured	1,163	586	272	387	$672,135	$1,247,343
	Pork:prep/pres	350	444	94	26	$239,939	$68,260
	Total	**17,504**	**13,469**	**6,427**	**3,975**	**$14,156,259**	**$6,919,927**
Taiwan	Pork; Fresh/Chilled	1,265	692	225	19	$278,488	$76,010
	Pork; Frozen	25,854	21,325	10,290	4,174	$15,771,821	$6,425,247
	Pork: cured	519	123	20	73	$40,962	$195,762
	Pork:prep/pres	404	9	3	131	$9,568	$202,413
	Total	**28,042**	**22,149**	**10,538**	**4,397**	**$16,100,839**	**$6,899,432**
China/Hong Kong	Pork; Fresh/Chilled	382	522	278	271	$489,262	$731,246
	Pork; Frozen	16,431	16,549	7,594	5,009	$10,554,988	$8,250,820
	Pork: cured	2,231	179	48	226	$182,239	$543,636
	Pork:prep/pres	249	122	39	30	$158,007	$105,593
	Total	**19,293**	**17,372**	**7,959**	**5,536**	**$11,384,496**	**$9,631,295**
Russia	Pork; Fresh/Chilled	60	134	37	1,338	$56,289	$1,993,707
	Pork; Frozen	41,628	8,637	2,060	12,375	$3,523,202	$17,696,872
	Pork: cured	5,890	779	772	7	$1,353,007	$29,038
	Pork:prep/pres	72	135	1	438	$3,038	$319,924
	Total	**47,650**	**9,685**	**2,870**	**14,158**	**$4,935,536**	**$20,039,541**
Other	Pork; Fresh/Chilled	3,489	1,844	503	2,578	$1,248,273	$6,176,611
	Pork; Frozen	19,912	16,358	7,336	9,785	$12,149,646	$14,682,174
	Pork: cured	5,644	4,336	1,689	2,841	$3,971,204	$5,351,499
	Pork:prep/pres	7,581	6,017	2,028	2,633	$5,210,459	$5,741,794
	Total	**36,626**	**28,555**	**11,555**	**17,837**	**$22,579,582**	**$31,952,078**

Source: The Bureau of the Census, US Department of Commerce

Note: Cured hams/bacon include HTS 021011, 021012, and 021019.
Prepared/Preserved exclude HTS 1602491(prep/pres offals).