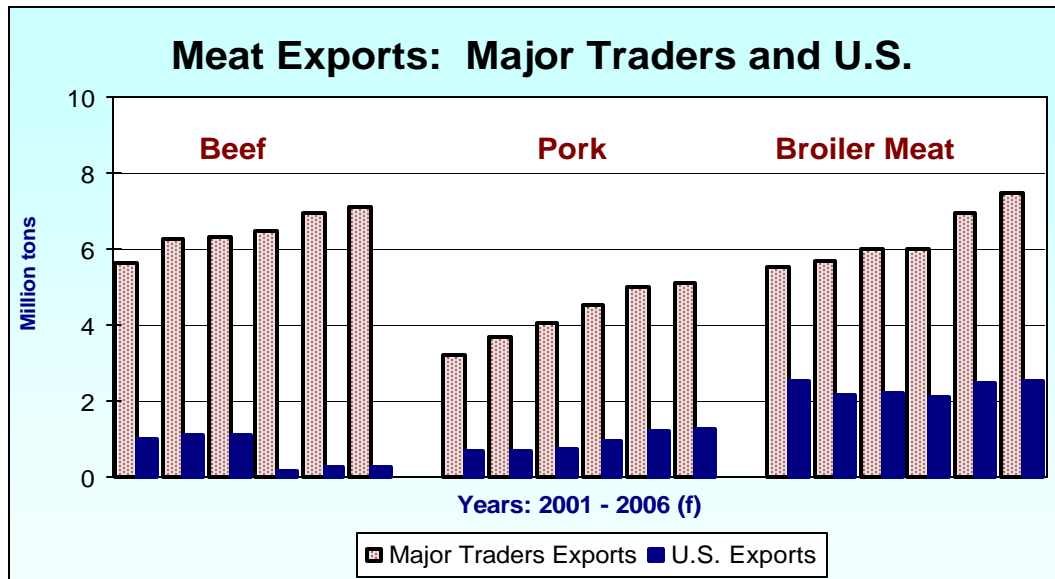




# Livestock and Poultry: World Markets and Trade

## 2006: Another Year of Record Trade in Red and Poultry Meat Forecasted



Source: Production, Supply and Distribution Database, FAS

Trade of beef, pork and poultry by major exporters is forecast to reach record levels in 2006 despite the instability of continued disease outbreaks and their resulting trade restrictions.

While avian influenza (AI) in Asia and Russia, foot and mouth disease (FMD) in Brazil, as well as trade restrictions on U.S. and Canadian beef due to bovine spongiform encephalopathy (BSE) have undoubtedly impacted global trade and will continue to be a cause of concern, meat consumption among major consuming countries continues to climb spurring increased production and growth in exports.

For the first time in history, broiler meat exports by major traders are forecast to reach 7.5 million tons. Poultry demand is expected to be strong due to the absence of the United States in major beef markets and constraints on growth in Brazilian beef exports.

### 2006: Key Developments and Factors Impacting Livestock and Meat Production, Supply and Distribution

- Positive macroeconomic growth will continue to encourage investment and increase consumer demand.
- Red meat and poultry meat prices for major exporters influenced by disease related trade distortions.
- Favorable exchange rate enables U.S. to remain price competitive.
- FMD in Brazil will have minimal impact on current meat trade flows.
- Broiler meat exports to surpass beef exports by major traders.

**Note:** PSD numbers for the United States included in this document have been revised from November 3, 2005 release to reflect the WASDE release of November 10, 2005. PSD Online (<http://www.fas.usda.gov/psd/>) has also been updated to reflect these updated United States numbers.