

Rise In Export Values Is Good News For Livestock Feeding Industry

A recent report from the U.S. Meat Export Federation (USMEF) and the U.S. Department of Agriculture says pork and beef exports are higher in value with Mexico, Russia, China and Korea as key growth areas.

During the first six months of the year, pork exports are up four-percent with steady volume while beef exports sales numbers are slightly higher even with a decline in volume. The Kansas Corn Commission said these numbers are promising since the state's livestock feeders consume a large amount of corn-based feed rations. Many feeders also rely on distillers grains from ethanol plants.

"We can export corn as grain, or a value-added product like beef and pork," said Kansas Corn Commission Chairman Mike Brzon. "The Kansas Corn Commission has been a steadfast supporter of meat exports since 1979, surpassing the million dollar mark in 2005. USMEF is doing groundbreaking work in market development for meat exports."

In the first half of 2012 U.S. pork exports pushed 1.13 million metric tons valued at \$3.17 billion, a five-percent increase in volume and 13-percent higher value than the record pace set last year. In addition, 24-percent of U.S. muscle cut production and nearly 28 percent of total production has been exported. In 2011, these ratios were 22.5-percent and 27-percent respectively.

Beef exports in June totaled \$464.4 million in value and continued a pattern of significantly lower volume than last year's record pace. Through June, this year's beef export volume was down 11 percent to 550,462 metric tons while export value was up 4-percent to \$2.66 billion. For the year, exports accounted for just under 10-percent of total muscle cut production and 12.5-percent of total production, lower than last year by 10.6-percent and 13.8-percent respectively.

USMEF President and CEO Philip Seng said USMEF is working to rebuild volume of meat exports, which have been affected by world economic issues.

"While we are pleased to see beef export value on a record pace again this year, USMEF is focused on reversing this decline in volume," Seng said. "The economic challenges are significant and there is no single approach that applies in every market. But we are working with our contacts in the trade to educate customers about more economical beef cuts, which can help them to maintain or expand their purchases of U.S. beef. We also take great care to emphasize the unique attributes of U.S. beef in an effort to build customer loyalty even in times of rising costs."

The state of Kansas is a leader in beef production, with more than 19-percent of all U.S. beef originating from Kansas beef processing facilities. The beef industry is a driver in the state's economy as cash receipts from cattle marketings increased from \$6.53 billion in 2010 to \$7.64 billion in 2011, according to Kansas Ag Statistics (KAS). This is the second consecutive year the beef industry has set a cash receipts record.

The Kansas Corn Commission has been a supporter of USMEF since the late 1970s. The state's corn checkoff program funds USMEF activities and information because of its long-standing partnership of the cattle and pork feeding industry.

This is all good news for Kansas as economists project every dollar of cattle sales generates an additional \$5 to \$6 in business activity for the local economy.