

United States Cattle and Beef Situation

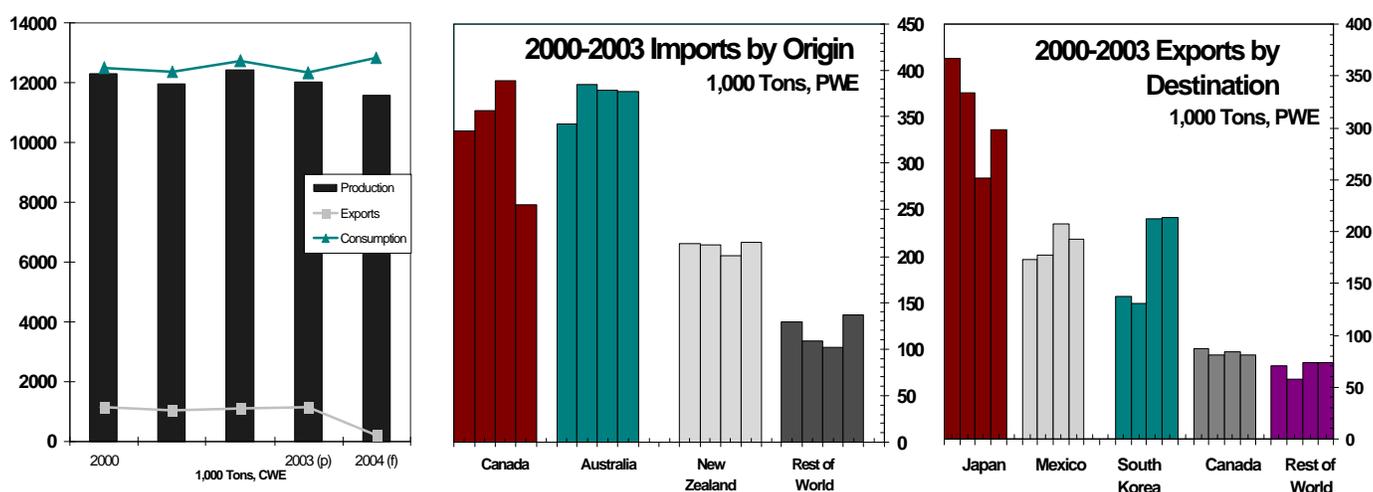
U.S. Supply and Use Tables (updated monthly)

<http://www.usda.gov/oce/waob/wasde/wasde.htm>

U.S. Situation and Outlook (updated monthly)

<http://ers.usda.gov/publications/so/view.asp?f=livestock/ldp-mbb/>

2004: U.S. Beef Exports Expected to Decline 83 Percent; Imports are Expected to set a Record



The discovery of one case of BSE in the United States resulted in the closing of more than 70 foreign markets to U.S. beef imports. As markets are assumed to remain closed until importing countries announce a change in policy, beef exports for 2004 are forecast at 195,000 tons, just 17 percent of 2003 exports. Cattle supplies were already tight prior to the discovery of BSE, resulting from ongoing herd liquidation because of drought and strong demand for beef. Lower production and robust consumer demand are helping to support cattle prices. The forecast for live cattle exports in 2004 has been lowered to 5,000 head. Canada relaxed its testing requirements for anaplasmosis and bluetongue on U.S. feeder cattle, which promises to expand market access in Canada after requirements are modified for importing cattle from countries with low risk of BSE.

Beef imports for 2004 are forecast 11 percent higher than 2003 at a record 1.5 million tons. Consumer demand remains strong, which has helped support prices after the closure of most U.S. export markets. Consumption is expected to expand by 4 percent in 2004. U.S. beef production is forecast to fall 4 percent, as cattle inventories decline. Declining cow beef production is expected to support demand for imports of lean manufacturing beef to mix with fat trimmings. The lack of Canadian beef and cattle imports, in conjunction with already tight U.S. supplies and strong demand, drove both beef and cattle prices dramatically up in the latter part of 2003. However, imports of Canadian beef have recovered to pre-Canadian-BSE levels, although

only boneless product is imported. Cattle and beef prices dropped after the announcement of the U.S. BSE case, but have remained high during the first quarter of 2004. Additionally, tight cattle supplies after a season of poor feeding conditions reduced production in the fourth quarter of 2003 and into the first quarter of 2004, helping offset impacts from lost export sales. Imports of live cattle are forecast at 1.1 million head and will come primarily from Mexico since Canadian live cattle are still banned from import.

United States
BEEF IMPORTS
(metric tons)

Fresh/Chilled

Origin	1995	1996	1997	1998	1999	2000	2001	2002	2003
Canada	157,638	212,428	248,644	282,171	317,624	311,011	332,470	359,438	233,984
Australia	300	117	269	409	3,100	5,531	19,812	27,291	30,443
New Zealand	171	50	790	847	1,848	2,831	3,832	4,606	5,071
Nicaragua	5,272	3,294	3,366	1,487	1,457	2,281	3,791	3,939	4,453
Costa Rica	7,028	6,077	4,294	3,621	4,688	4,701	3,577	3,008	3,183
Mexico	278	378	260	406	780	1,199	1,965	2,201	3,119
Argentina	0	0	701	1,941	3,182	4,195	1,413	0	0
Guatemala	1,849	0	0	0	0	0	0	0	0
Honduras	2,371	2,273	1,588	461	81	39	0	0	8
Uruguay	20	2,734	2,901	4,468	5,119	4,322	1,668	0	5,512
Others	614	523	172	10	20	6	1	1	0
Total	175,541	227,874	262,985	295,821	337,899	336,116	368,529	400,484	285,773

Frozen

Origin	1995	1996	1997	1998	1999	2000	2001	2002	2003
Australia	223,259	181,502	212,854	284,377	285,273	335,979	363,907	350,808	345,305
New Zealand	192,531	167,416	190,865	196,627	184,513	209,548	207,969	195,476	207,430
Canada	17,383	18,290	20,045	18,107	19,762	16,847	18,347	22,672	18,955
Nicaragua	11,868	8,661	10,053	5,642	6,125	8,387	8,842	10,290	11,786
Costa Rica	12,479	12,052	7,914	5,576	8,080	7,776	6,582	5,375	6,948
Mexico	1,610	3,072	2,670	2,094	2,017	1,808	1,448	1,538	1,443
Honduras	3,532	3,804	3,519	453	373	236	602	232	67
Argentina	0	0	4,814	5,222	21,318	14,260	3,135	28	18
Uruguay	107	17,548	16,904	8,964	15,062	14,241	7,996	4	20,668
Dominican R	1,564	0	0	0	0	0	0	0	0
Guatemala	1,612	376	143	0	0	0	0	0	0
Others	432	83	168	1	0	0	68	76	2
Total	466,377	412,804	469,949	527,063	542,523	609,082	618,896	586,499	612,622

Processed

Origin	1995	1996	1997	1998	1999	2000	2001	2002	2003
Argentina	41,190	37,098	31,497	24,865	20,078	18,121	20,670	20,644	21,079
Brazil	16,770	21,693	23,634	33,400	50,257	43,034	40,845	49,677	50,681
Canada	1,288	1,616	2,338	2,840	3,045	7,195	5,472	6,428	2,711
Uruguay	1,794	2,136	1,957	2,183	1,131	1,570	2,574	3,436	5,944
Others	1,970	1,404	1,113	1,298	1,904	3,829	4,152	4,454	5,025
Total	63,012	63,947	60,539	64,586	76,415	73,749	73,713	84,639	85,440

Grand Total 704,930 704,625 793,473 887,470 956,837 1,018,947 1,061,138 1,071,622 983,835

Note: Totals may not add due to rounding. All data reported in Product Weight

United States

BEEF EXPORTS

(metric tons)

Fresh/Chilled

Destination	1995	1996	1997	1998	1999	2000	2001	2002	2003
Canada	88,430	82,769	75,978	67,957	64,992	66,391	58,613	60,292	56,849
EU 15	2,325	2,150	2,131	2,897	3,187	901	1,000	911	810
Hong Kong	590	1,236	760	539	276	607	648	2,108	1,693
Japan	137,001	132,032	140,730	146,667	154,477	159,377	163,274	123,567	152,182
Mexico	19,757	41,252	83,974	118,126	135,187	153,490	152,291	191,879	179,337
South Korea	8,288	9,114	6,055	2,558	5,301	7,049	8,710	17,234	30,757
Taiwan	1,251	1,104	1,270	954	1,675	2,705	2,962	3,570	4,814
Others	4,738	3,620	5,634	6,705	5,088	5,069	5,606	8,038	4,949
Total	262,380	273,277	316,532	346,403	370,183	395,589	393,104	407,599	431,391

Frozen

Destination	1995	1996	1997	1998	1999	2000	2001	2002	2003
Australia	32	58	92	3	1,731	1,511	17	74	6
Bahamas	283	587	518	712	742	1,367	2,931	2,392	2,572
Brazil	209	1,275	1,631	1,994	362	108	13	2	1
Canada	7,594	6,901	8,239	8,346	6,978	6,538	7,232	6,282	5,983
Cayman Islands	249	274	644	2,009	1,384	1,710	158	389	257
China	224	340	1,065	1,384	2,715	3,239	3,197	3,229	2,822
Colombia	2,016	2,292	501	857	775	91	45	157	441
Dominican Rep	51	103	77	977	3,503	637	494	622	780
EU-15	2,181	1,832	2,688	3,368	2,919	3,947	866	534	483
Egypt	37	140	571	2,118	6,572	1,988	2,352	3,076	2,158
Guatemala	261	110	373	569	1,040	736	756	759	917
Hong Kong	3,817	10,435	8,430	11,159	10,337	12,095	11,170	17,116	13,429
Japan	191,413	202,174	201,993	222,358	203,138	205,235	168,442	126,039	144,112
Mexico	9,115	16,939	21,863	22,821	21,617	17,999	23,889	14,139	12,544
Norway	57	36	59	10	1,148	0	0	0	4
Poland	260	184	2,166	312	257	61	2	66	10
Russia	4,782	2,184	6,383	5,509	30,775	8,212	2,023	4,363	2,311
South Korea	82,519	61,343	83,241	50,359	100,763	130,131	122,034	193,964	176,067
Taiwan	6,806	8,188	9,335	6,309	8,507	8,747	8,386	10,408	11,283
Others	7,513	8,935	9,592	10,877	9,196	13,184	8,964	10,225	14,646
Total	319,419	324,330	359,461	352,051	414,459	417,536	362,971	393,836	390,826

Processed

Destination	1995	1996	1997	1998	1999	2000	2001	2002	2003
Australia	14	0	43	2	34	657	686	23	104
Canada	6,629	6,936	9,027	11,399	13,033	14,572	14,578	17,251	18,059
Dominican Rep	216	269	171	207	61	187	208	120	10
Egypt	73	23	10	10	28	194	3,478	2,959	5,468
EU 15	309	458	255	409	192	132	174	163	104
Hong Kong	228	107	177	72	125	62	52	21	258
Japan	3,491	3,206	2,580	2,203	1,309	1,923	1,566	2,283	2,223
Mexico	350	545	946	1,104	1,250	1,592	1,347	747	1,163
Poland	129	84	0	0	518	0	0	36	0
Russia	697	1,160	284	276	115	106	141	51	62
South Korea	144	161	433	574	203	168	195	1,571	6,620
Switzerland	10	15	18	261	95	2	5	3	41
Taiwan	67	351	80	46	511	400	89	58	233
Others	1,293	1,260	1,203	1,403	1,848	1,796	1,413	1,946	3,197
Total	13,650	14,575	15,227	17,966	19,322	21,791	23,932	27,232	37,542

Grand Total **595,449** **612,182** **691,220** **716,420** **803,964** **834,916** **780,007** **828,667** **859,759**

Note: Totals may not add due to rounding. All data reported in Product Weight