

Meat Exports — A Processor's Viewpoint

Stanley Miller*

Export markets have had great importance to the meat processor throughout our history. In the days before the Industrial Revolution and refrigeration, salted pork and beef were among the major American agricultural trade items.

In recent years, the export of variety meats has been of vital importance, particularly to the slaughter house segment of the industry. During the first half of 1982, 52.4% of the total export tonnage of red and variety meat was variety meats. For a slaughterer, successful export sales of variety meats is critical for maintaining a profitable operation. Exports of red meats were somewhat neglected, particularly in the post-World War II years. Often, export sales of red meats were by-products of variety meats sales.

In the 1970's, as the growth in the increased per capita consumption of red meat slowed, the meat and livestock industry started to explore the possibilities of increasing their involvement in the promotion of U.S. red meats in the world market. From this beginning, the U.S. Meat Export Federation was organized in 1976.

The MEF primary objective is to represent the industry in the identification and development of overseas markets for U.S. red meat products. Through cooperation with the U.S. Department of Agricultural Foreign Agriculture Service, a goal of increasing U.S. beef and pork meats exports by 260% by 1986 over the base year of 1981 was established.

*Stanley Miller, Del Pero-Mondon Meat Company, P.O. Box 2068, Marysville, California

Reciprocal Meat Conference Proceedings, Volume 36, 1983.

As a processor, any market that has the potential to increase by over 2.6 times in five years represents a tremendous opportunity.

The increased export sales of U.S. meats can play a significant part in reducing the negative differential in the balance of trade which now finds dollars moving out of the U.S. at an alarming rate. Further increased export sales represent jobs for U.S. workers, not only in the processing industry, but in all allied industries. U.S. beef, pork and lamb in any form from dressed carcass to fabricated box meat to processed and portion-cut steaks are value-added products. Our ability to add value through grain feeding, slaughtering and further processing builds the economy of our agricultural sector.

This opportunity is not without its challenges. Other countries, too, rely heavily on exports of meats as a currency earner for their livestock industry and the economic well being of their labor force.

The self interest of the livestock and meat industry in some countries that could be excellent markets for U.S. products results in tremendous political pressures to limit the access to those markets.

Other factors which challenge the would-be meat exporter include language barriers, cultural factors, special handling requirements and specific product knowledge. These are strong forces which must be considered.

The challenges are great. For the companies that can meet and overcome the challenge with products and services that have a legitimate place in the market, the rewards will justify the efforts. Group cooperation among all segments of the meat and livestock industry will reap these rewards for all involved.

International Meat Marketing Discussion

A. W. Kotula, USDA: How can we sell value-added products, like sausage, to Russia or the E.C.?

H. T. Sanden: This whole area of exporting value-added products needs further exploration. Due to the various ethnic tastes, we probably couldn't produce their type of sausage at present. So many of the particular products consumed in the E.C. are not produced or marketed here that it would be difficult to gear up for a specific specialty item.

J. Regenstein, Cornell University: Are we on a collision course with the EEC on poultry subsidies? Don't they realize that we don't have anywhere to go?

Sanden: At present, we subsidize the EEC \$340 to \$380 per ton to export poultry to the Middle East. However, part of

this amount is in differences in exchange rates and also in freight rates. Yes, we are on a collision course, but we have always been a residual poultry exporter, with only 2½% of our poultry being exported in a good year.

Question: Do the countries of the E.C. which hold rigid requirements to the U.S. on exports enforce these same requirements on their own countries' plants?

W. I. Leary: Representatives of USDA have visited many countries in Europe. On the use of wood, for example, it has been removed from plants in European countries. With the exception of Denmark and Holland, our sanitation is better than the countries to which we export. But that doesn't stop those countries from requesting stronger sanitation from us.