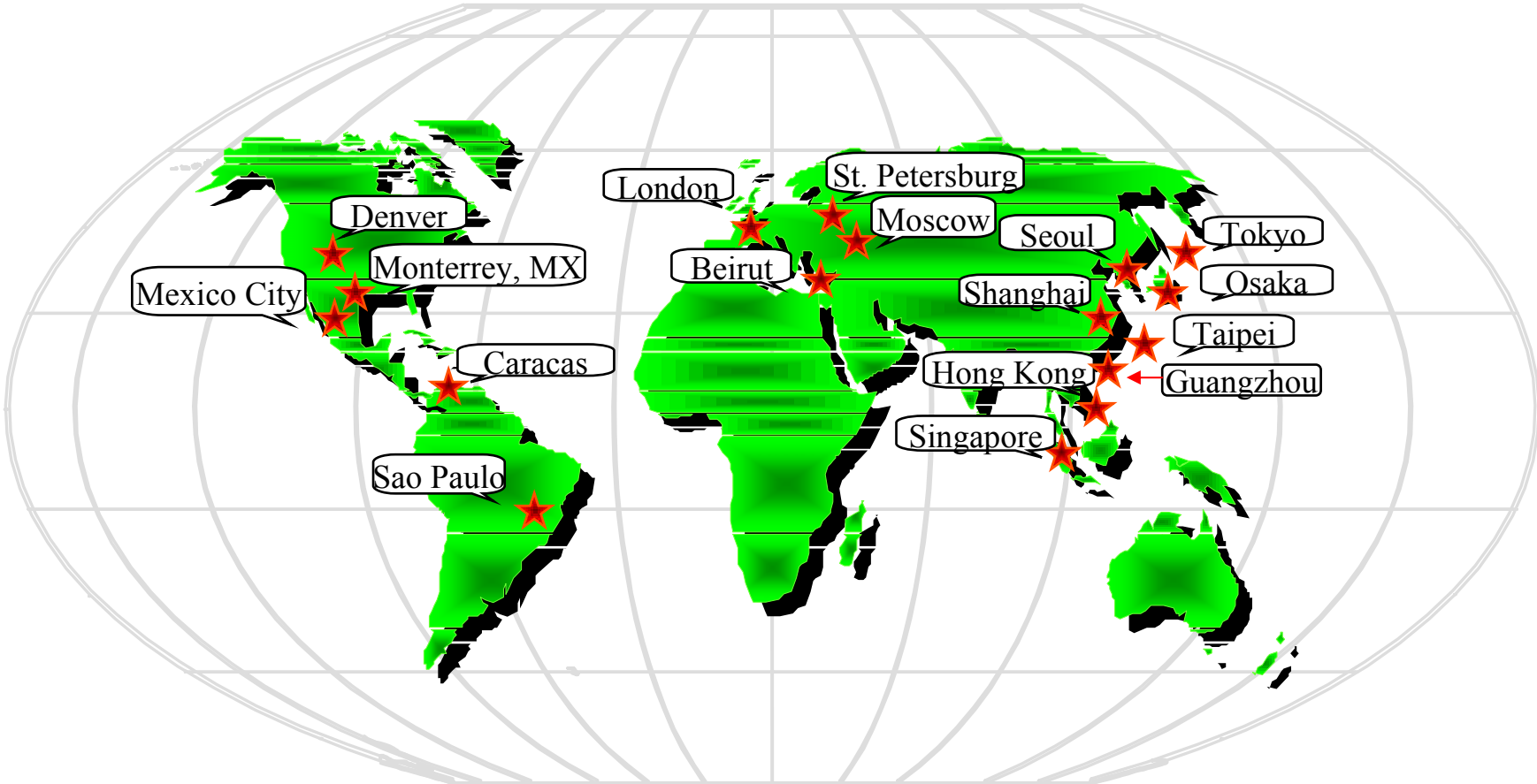
U.S. Meat Export Federation
Mission Statement

To increase the value and profitability of the US beef, pork, and lamb industries by enhancing demand for their products in export markets through a dynamic partnership of all stakeholders

USMEF Membership

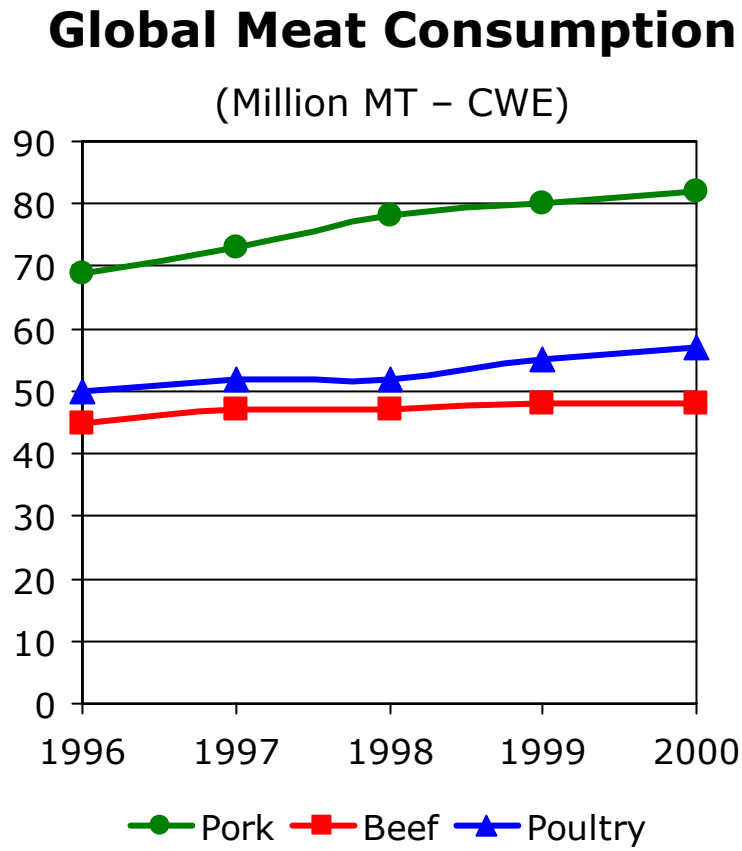
- Beef Producing
- Pork Producing
- Lamb Producing
- Packer/processor & Purveyor/Trader
- Feedgrain Producing
- Oilseeds Producing
- Agri-Business
- Farm Organizations

USMEF Offices & Representatives

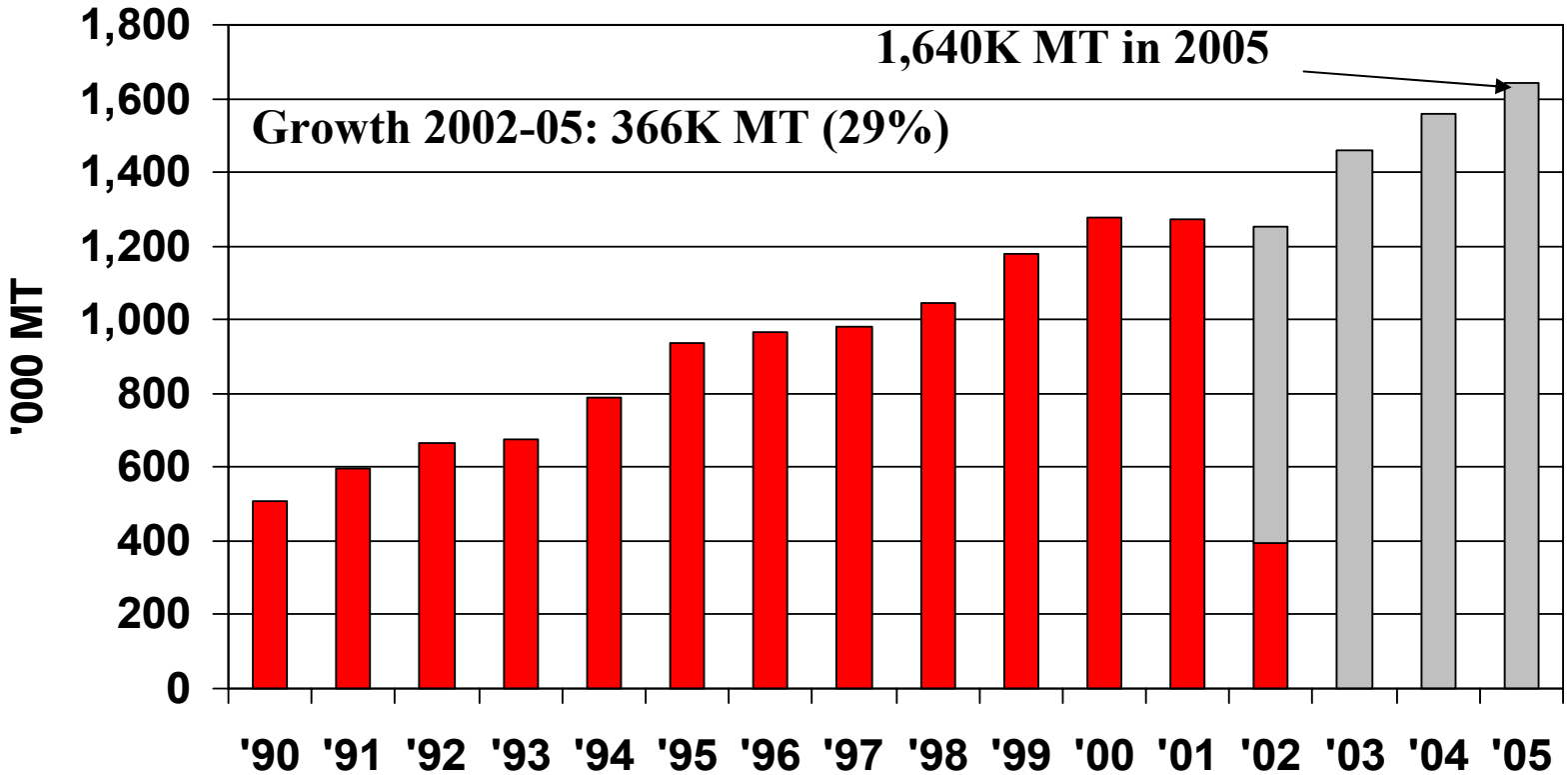


Global Beef, Pork & Poultry Consumption

- Global consumption of beef, pork and poultry is increasing by about 3.5% annually.
- Pork is more widely consumed than beef or poultry and is growing at a faster rate than both beef and poultry.



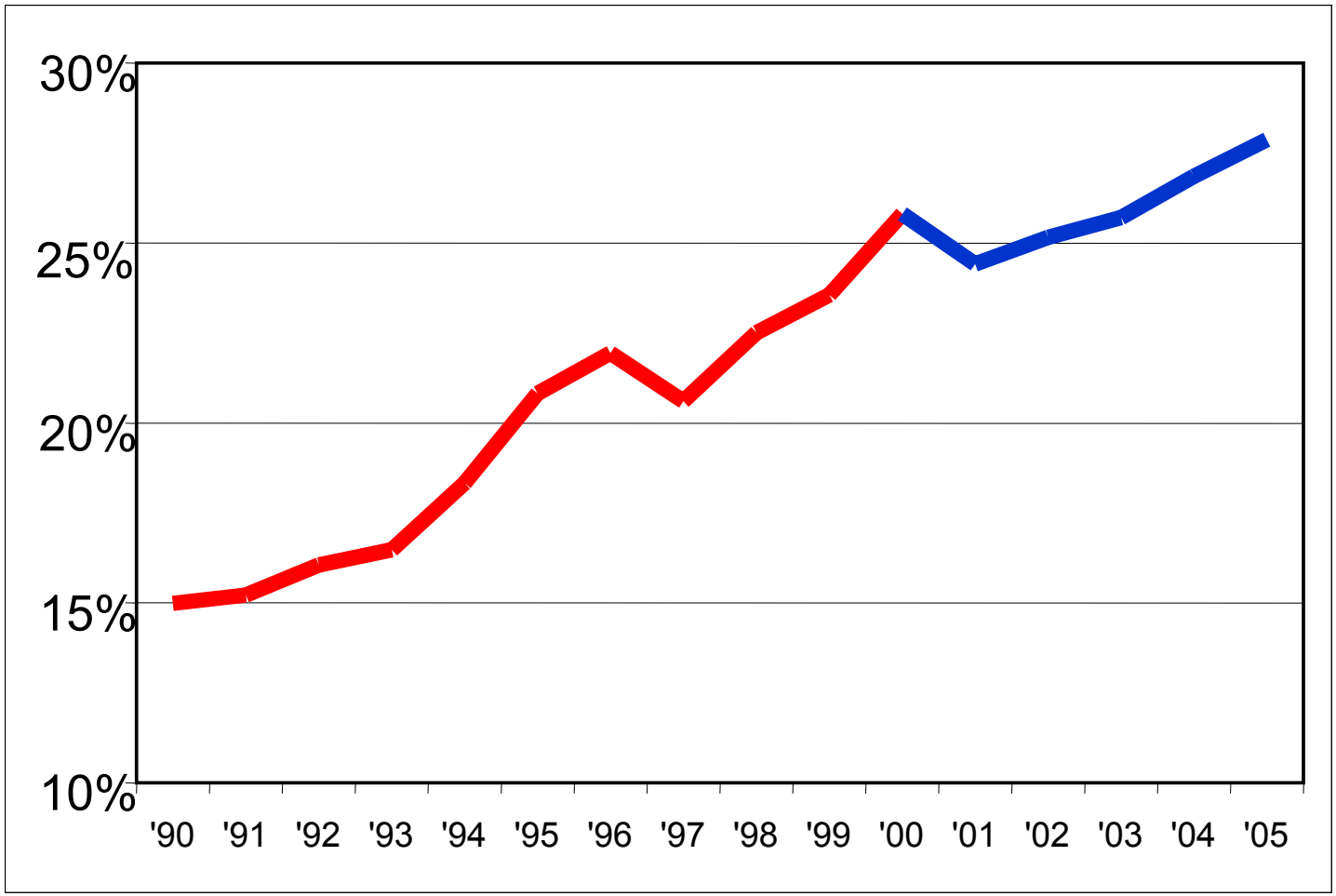
Beef/BVM Export Forecasts



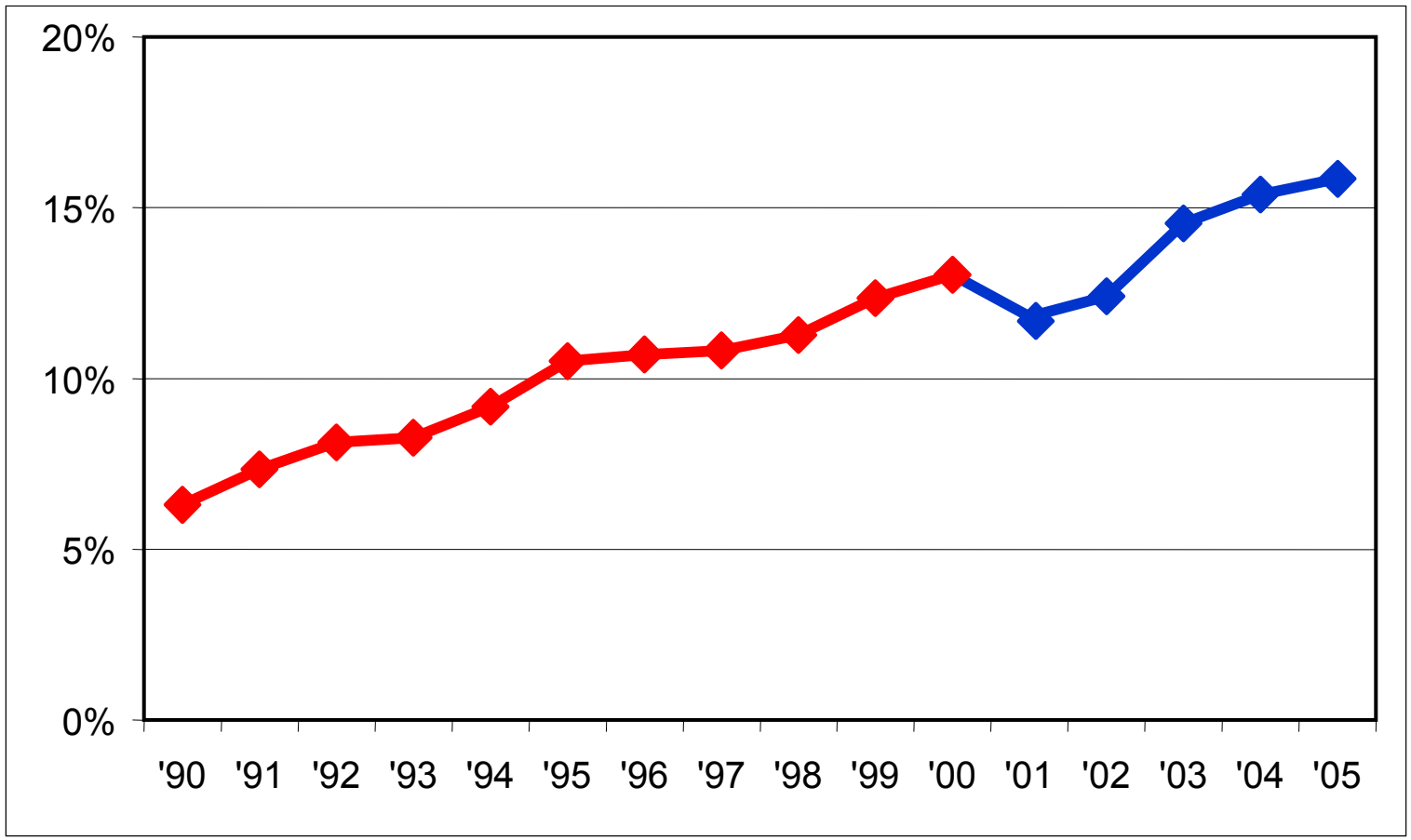
’02 Exports through May

USMEF Estimate

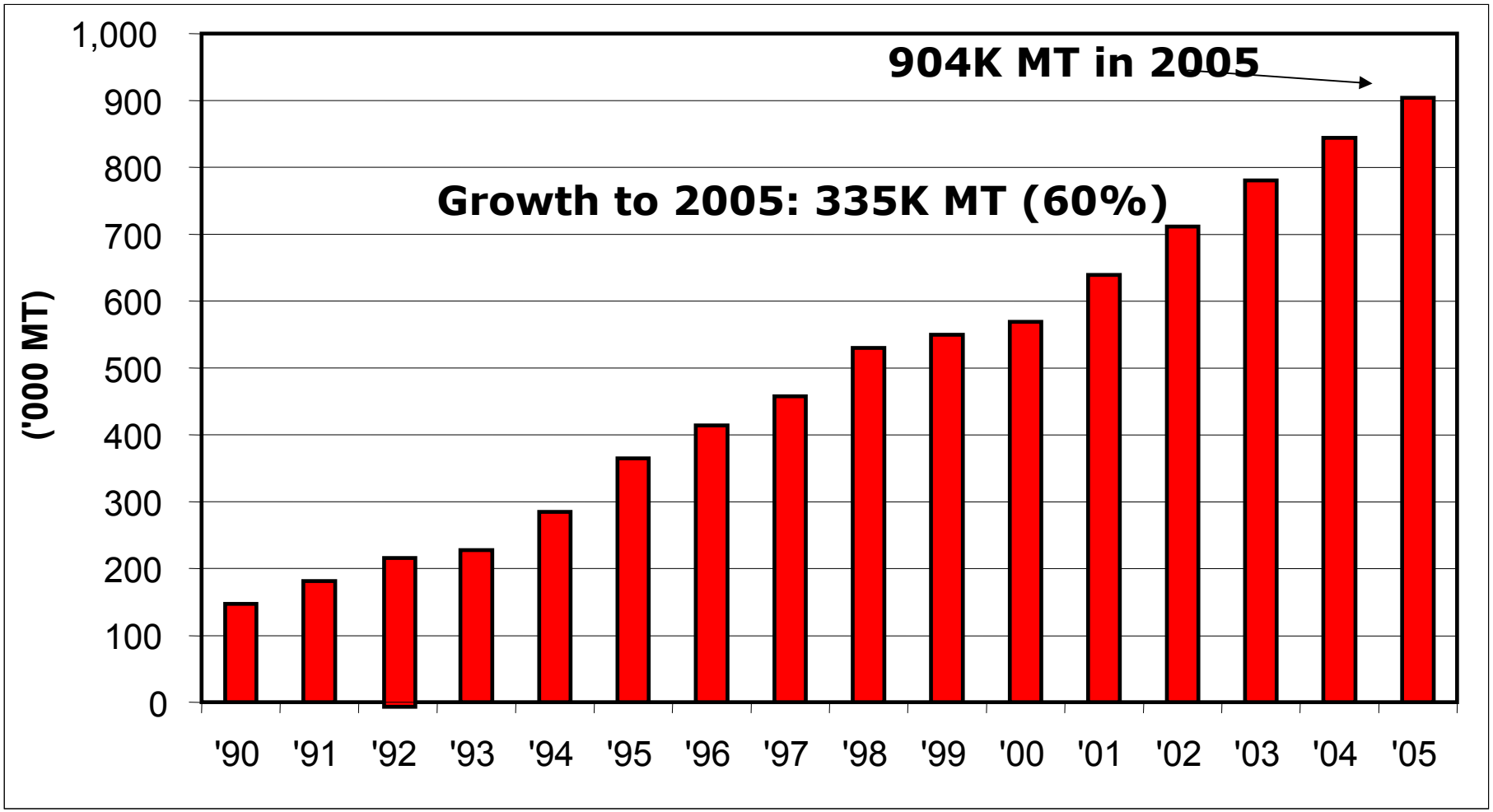
U.S. Beef Global Market Share



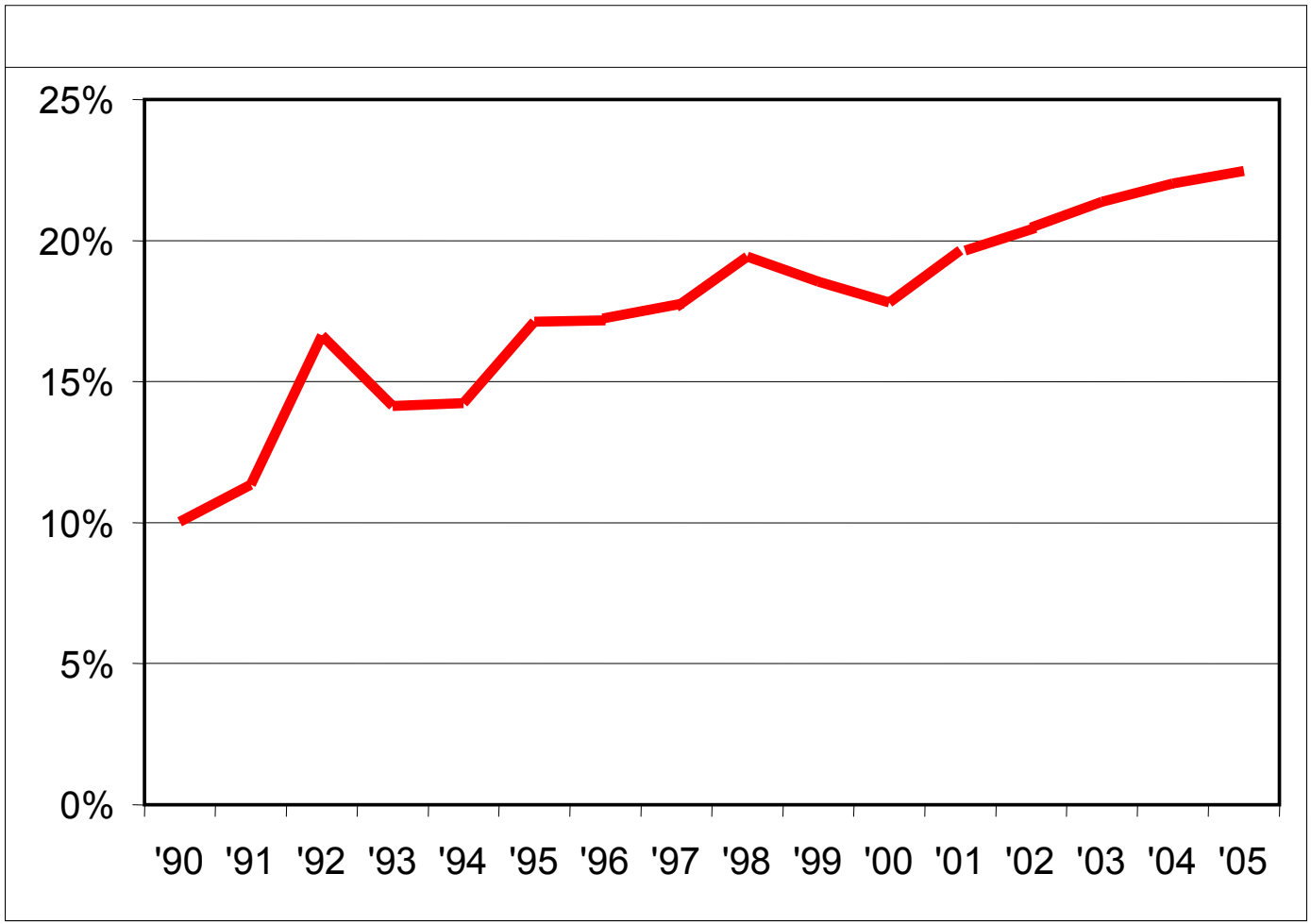
U.S. Beef Exports as a Percent of Domestic Production



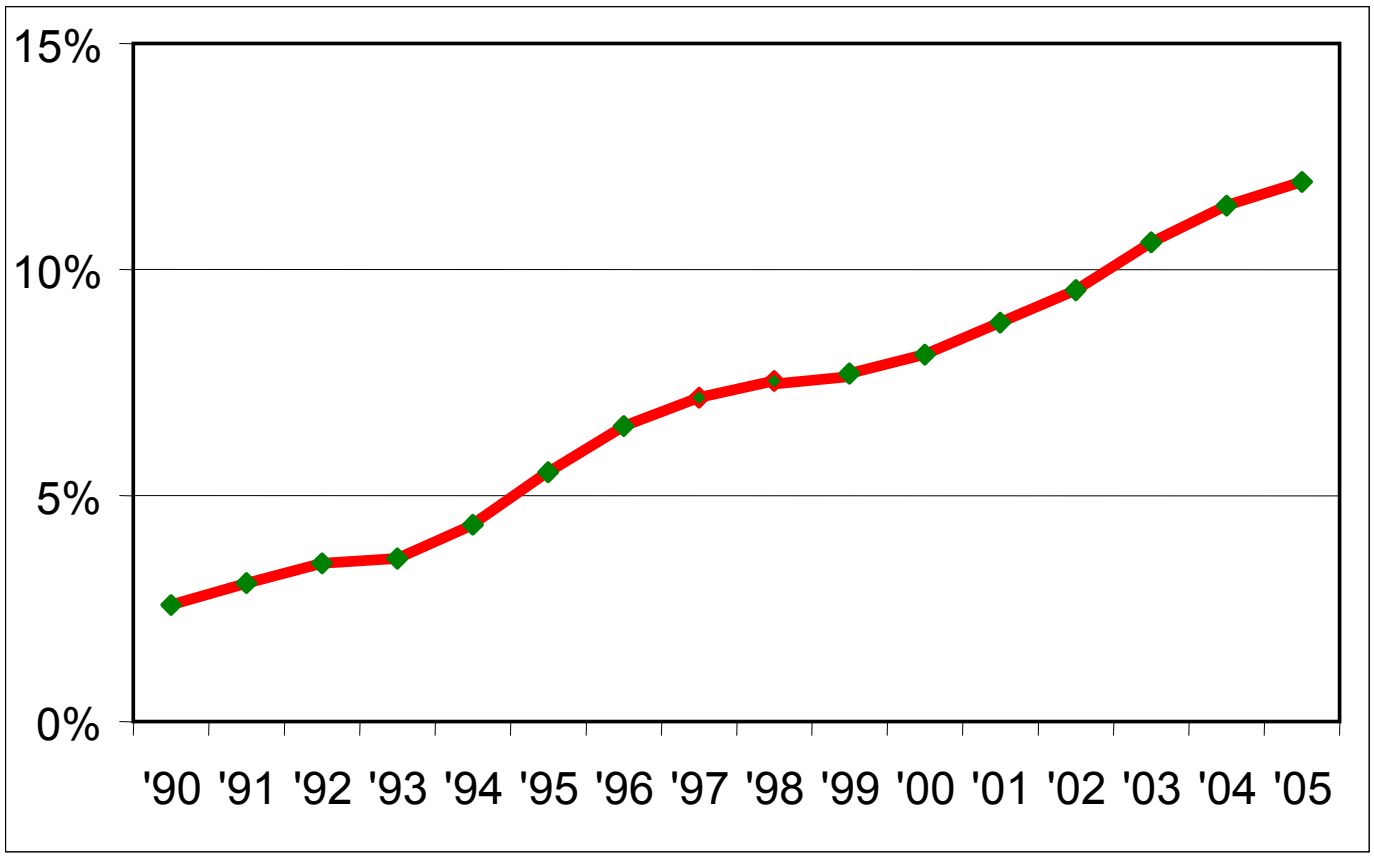
USMEF Pork
Export Forecasts



U.S. Pork Global Market Share



U.S. Pork Exports as a Percent of Domestic Production



Factors Driving U.S. Meat Export Growth

- USMEF/Industry Marketing Initiatives
- Rising Per Capita Income
- Growing Middle Class
- Changes in Diet
- Declining Self-sufficiency in Leading Import Markets
- Expanding Market Access

Consumer Surveys

- USMEF has recent data on consumer attitudes in the following markets:
  - Beef: Japan, Mexico, Korea, Hong Kong and Taiwan
  - Pork: Japan, Mexico, Korea

What the World Consumer is Asking For

- "Freshness" is the most important factor consumers take into consideration when they purchase meat
- Open ended survey question to over 7,000 consumers….***When making a beef or pork purchase, please tell me what is most important to you in making your decision?***
- * In Japan, ***"Freshness"*** was the number two priority with ***"Domestic Beef"*** ranking no. 1 with 24%

Country	**1999**	**2001**
Hong Kong Beef	50%	82%
Taiwan Beef	32%	74%
Japan Beef*	21%	02 Fall Survey
Japan Pork	31%	38%
South Korea Beef	33%	41%
South Korea Pork	39%	56%
Mexico Beef	44%	60%
Mexico Pork	53%	02 Fall Survey

Fresh vs. Frozen

- **Overseas consumers continue to call for "fresh" product**
- **Can an imported product ever be "fresh"?**
- **Does fresh product conflict with food safety and/or product integrity?**
- **What does the USMEF consumer research indicate?**

Corn Fed to Tenderness promotion in Taiwan

How does the U.S. rate among other suppliers on Freshness?

Market	Rating (1-5)	Rank	#1 Rank
Japan Beef	2.6	5	Waygu
Japan Pork	2.71	4	Japan Domestic
Mexico Beef	2.64	4	Domestic
Korea Pork	1.93	3	Domestic
Hong Kong Beef	3.31	4	Domestic
Taiwan Beef	3.41	4	Domestic

Perception of "Freshness"

- Traditional outdoor markets known as "wet markets" remain the market of choice for consumers in Hong Kong, Korea, Taiwan, and Mexico
- In response, USMEF has begun to infiltrate wet markets with messages about U.S. red meat

Wet Market meat stand

USMEF beef promotion in Taiwan wet market

Taiwan Megaball

- Taiwan government began supporting “wet markets” with upgrades.
- USMEF worked with importer/distributor to develop a specially suited product for “wet markets”

MEGA BALL

POSTER

Transportation Issues in China

- Most meat is delivered at the lowest cost
- Consumers in China want a safe product, however are not at the stage to pay more for product delivered in refrigerated trucks
- China consumers fully cook all red meat and poultry to compensate for poor refrigeration system
- Modern retailers are requiring refrigerated delivery

Boxes of meat delivered on a bicycle in China

Transportation Issues in China

- **Signage at a Carrefour retail store in Shanghai promotes a safety and inspection message to consumers**

Signage reads….Carrefour meat is supplied by licensed & reliable sources. Freshest meat in China

Other Important Issues for Consumers

- Ranked #2 in importance:
  - Price: Japan Beef and Pork
  - Tenderness: Mexico Beef, Hong Kong Beef, Taiwan Beef
  - Taste: Korea Pork
  - Fat Content/Leanness: Japan Pork, Mexican Pork
  - Color: Mexican Pork

Other Important Issues for Consumers

Country/Species	Criteria	Rating (1-5)	Rank
Japan Beef	Price	4.0	1 (tie)
Japan Pork	Price	3.77	1
Mexico Beef	Tenderness	3.16	2 (tie)
Mexico Pork	Fat Content	NA	
Mexico Pork	Color	NA	
HK Beef	Tenderness	3.7	1
Taiwan Beef	Tenderness	3.49	3
Korea Pork	Taste	2.44	3

Japan BSE Implications on Consumer Perceptions

- USMEF conducted focus groups to determine the best way to address the crisis in Japan.

Focus Group Results

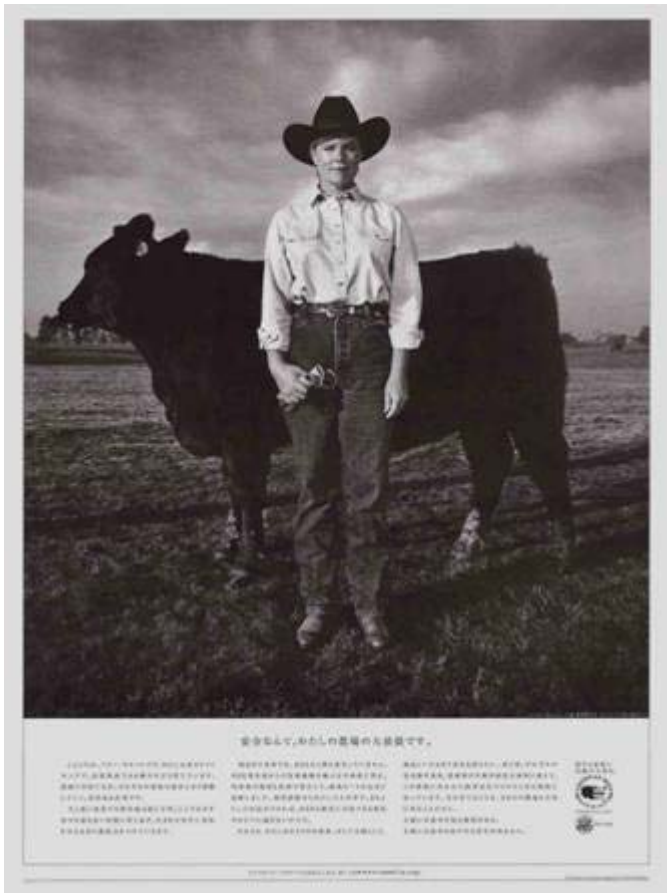
- They wanted to be fully convinced that U.S. beef is safe and tasty enough to serve their families without concern
- They wanted to hear beef providers' firsthand accounts of how carefully they produce quality beef
- They want objective facts to verify the safety of beef
- They preferred to hear from other women

Further Research Results

- Women were decision-makers
- Safety was No. 1 beef import issue
- 94% wanted safety information
- 74% would buy imported beef if they knew safety standards
- Australia recognized as safe
- Know little about beef nutrition
- TV, newspapers, magazines are most influential media

Television Ads

Print Ads



Newspaper: March-April

Retail Tie-in

Participants = 94 Retailers with 5,143 Outlets

3 PC = $1.04 million

Regional Chain "Fukuhara"

HRI Tie-In
Yakiniku Menu

Participants = 56 HRI Chains with 5,314 Outlets

3 PC = $2.2 million

Upcoming Events

- Media Team –July 8-12, 2002
- Nutrition Symposiums
  - Osaka – July 26, 2002
  - Tokyo – July 29, 2002
- Town Hall Meetings – September
  - 3 with consumer co-op members
  - 2 with nutritionist associations
- Release of Yu Hayami's "Cooking with U.S. Beef" Cookbook – August 10, 2002

Mislabeling Implications in Japan

- Loss of consumer trust
- Japan will mandate, hype “traceability”
- Japanese trade will ask U.S. suppliers for source-verified product
- What was “excessive” will be the norm
- Enhanced trend toward branded
- Suppliers must speak directly to consumers
- Will consumers pay extra for “truth?”

Consumer Marketing Trends

- Japan is our #1 export market with Mexico at #2
- Japan accounted for 55% of total U.S. pork exports on a value basis – 37% on a volume basis in 2001
- The trend of marketing beef & pork in Japan is to shift to from commodity to “Branded”

“ Smithfield” brand pork stickers provide production, safety and processing location information.

Store Brands Becoming the Norm

- **Branding will grow because a brand represents a promise of quality**
- **A tremendous amount of marketing and dollars will be placed behind a brand**
- **A brand can build customer loyalty & repeat buyers**

Producer Identification in Retail Meat Case

Consumers are given the opportunity to identify with the livestock producer who cared for the livestock

Thank you!

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