The international marketplace for US meat continues to be a growth market. Exports of beef have almost doubled since 1990. Beef exports in 1997 totaled 691,700 MT valued at $2.5 billion (excluding variety meats). Pork exports have increased 295% since 1990. Pork exports, excluding variety meats totaled 324,507 MT valued at $1.0 billion (USDA, 1998). Some markets have slowed while others have soared. Near economic collapse and currency devaluation has hampered exports to the Far East. However, exports to the Western Hemisphere continue their upward momentum. Exports of beef to Mexico surpassed 100,000 MT in 1997 setting a record for US exports of beef to that country.

The US population represents less than 6% of the world's population. The world's population has doubled since 1950 (Murphy, 1998). Protein consumption continues to increase around the globe. China's 1.2 billion population has experienced a 10% annual increase in meat demand over the last six years (Avery, 1998). What an opportunity for the beef and pork industry! Meat quality will play a key role in securing US market share in the growing world market for red meat.

What does quality mean in the export market? Is it relevant to the export market? Why can't beef or pork from inventory be sold to the foreign market? Has the foreign market brought change to the beef and pork industry? What changes can we expect in the future? Quality means different things to different customers within a given market. It would be impossible to develop quality standards for international markets. However, there are several key areas, which should be addressed as the industry begins its focus on the export market.

It goes without saying that safe meat is a high priority with international markets. Argentine exports dropped 60% after the BSE scare broke in England. Argentine beef exports to Germany still have not recovered. The beef and pork industry must work together to successfully implement HACCP in the production and distribution chain. The Asian market has become increasingly sensitive to food safety issues.

The E. coli breakout in Japan created a black veil over US beef even though US beef was not implicated. Hundreds of thousands of dollars have been invested in the Japanese market in the hope of regaining waning consumer confidence. The E. coli incident in South Korea was devastating to US exports for the short term. News traveled at a feverish pace across Korea.

Food safety is an issue for the world meat business and not just a concern of the US. All countries must join together when food safety has been compromised. The best science should be utilized to assure the global consumer a safe and wholesome product. Food safety will also play a key role in determining the pace of global meat sales.

The U.S. Meat Export Federation (USMEF) and its membership believed it was valuable to determine what impressions foreign buyers and users had about US beef and pork. Therefore, two studies have been conducted to determine quality attributes and deficiencies of US beef and pork.

The International Beef Quality Audit was conducted in March-November of 1994. The objectives of the study were: 1) to identify the components of quality that affect the overall desirability of high quality U.S. beef, 2) to document the positive and negative components of US beef at the foodservice, retail, and importer levels and 3) development of a database comparing specific quality attributes of US beef with that of competing countries (International Beef Quality Audit, 1994). The results of the study varied from region to region, but the US received high marks in the following areas:

1) **Excellent Product Availability.** This is a great benefit to importers around the world. They are able to order as many containers as necessary to meet their needs of a specific cut. Only the US beef industry can do this on a consistent basis. Most other countries require purchase of the “full set” or other cuts from the primal from which the subprimal is derived. In other cases, the customer may have to wait several weeks to over a month to receive a container of just one subprimal.

2) **Outstanding Tenderness and Flavor.** The US is considered to have the most tender and flavorful meat in the world. The word “USDA Choice” carries a positive message in the foreign market. Most of the major markets insist on Choice or higher middle meats.
According to the results, 97 percent of the end-users were satisfied with the eating quality of US beef compared to 86 percent and 83 percent for New Zealand and Australian beef, respectively.

3) **High Perceived Value.** The export market believes they are “getting their money’s worth” when they purchase US beef. In the Japanese and Korean markets, US beef is considerably less expensive than the domestically produced high quality product. In Mexico, US rounds and chucks are reasonably priced thus, allowing Mexican retailers to feature products in advertisements. Historically, featuring of a high demand subprimal was not considered until the introduction of US boxed beef.

4) **Good Overall Product Quality.** Appearance of beef is very important to the export market, particularly Japan. Importers rated the appearance of US beef higher (97% satisfaction) compared to 81% satisfaction with the appearance of beef from other countries.

5) **Positive Image of the United States and the US Quality Grading System.**

5T) **Confidence in Product Safety.** The US inspection system is highly regarded by importers and users of US beef around the world. Many markets believe the US has the best system for maintaining a safe meat supply.

There are, however, areas where the export market customer believes the US could improve according to the study. Following are areas where the US could improve:

1) excessive external and intermuscular (seam) fat
2) cuts that are too heavy and or big
3) crushed boxes
4) excessive purge
5) inadequate labeling
6) inadequate shelf-life
7) poor customer service

Since 1994, the US has improved in various areas. For example, on a recent trip to Japan, smaller stronger boxes were observed with Japanese labeling on the boxes. More muscle seaming of cuts is being done for the high value export markets of Japan, Taiwan and South Korea. Stronger boxes have lead to fewer leakers and thus, longer shelf-life. Most major packers now have bilingual marketing, production, and sales staff, which is, better to address the needs of their customers. Much progress has been made since 1994, but the industry must strive to do better to retain the High Quality Beef market. Canada has become quite aggressive over the last couple of years and Argentina is experimenting with grain fed beef. Australia continues to struggle with their grain feeding programs in general, but are still a threat to US dominance in this arena.

The International Pork Quality Audit was conducted in mid to late 1994. The objectives of the study were to: 1) identify the components of quality that determine overall pork product desirability, 2) determine, through a series of personal interviews, the positive and negative components of US High Quality Pork as judged by the foodservice, retail, and importing sectors, and 3) development of a database comparing specific quality attributes of US pork with that of competing countries (International Pork Quality Audit, 1995).

The study determined what buyers considered the top attributes of US pork and the principal reasons US pork was purchased. Following are those attributes:

1) Confidence in Product Safety,
2) Competitive Prices,
3) Palatability (tenderness),
4) Positive Perception/Image of the US,
5) Availability of Individual Cuts.

Once again, foreign buyers have a high degree of confidence in the US inspection system. Many buyers felt product safety was not even an issue when it came to pork. US pork prices have also been extremely competitive in the world market except in the South American markets. The foreign market rated US pork as a very flavorful and tender product compared to other countries. One of the most important factors is the availability of load quantities of individual cuts.

The International Pork Quality audit also discovered areas where US pork industry could improve. The study identified ten areas in which improvements should be made:

1) Variation in Lean Quality (Color, Purge, Overall Appearance)
2) Customer Service
3T) Elimination of Abscesses/Bruses/Foreign Material
3T) Seam Fat
4) Cut Size and Consistency
5) Label Placement and Information
6) Marbling
7) Adherence to Purchase Criteria
8) Packaging and External Fat in Excess of Purchase Criteria

US pork has great opportunities around the world as markets begin to open and trade barriers are reduced. However, in order to continue growing exports, the US pork industry will have to begin to place a greater emphasis on product specifications for foreign markets. The US is the only major producer to break carcasses between the 2nd and 3rd rib on the blade side of the loin and the only country to leave most of the sirloin on the loin as opposed to leaving it on the fresh ham. The market in the US is so strong for loin meat that this makes US center cut loins expensive in the eyes of many countries. In addition, these breaks result in a lower degree of percentage lean in US
shoulders. These items serve as raw materials for processed meats around the world.

The US faces stiff competition from Denmark, Canada, and Brazil around the world. The Brazilians continue to increase their hog numbers and the major producers are either vertically integrated or have contracting arrangements with groups of highly productive pork producers.

The export market holds great potential for US beef and pork producers. Numerous improvements have been made in the breeding and feeding of cattle and hogs, however, more attention should be paid to the domestic and international customer if the industry is going to maintain and grow its share of the expanding demand for high quality protein around the world.

References