

Do you know how important trade is for the U.S. meat industry?

By James Mintert, Director, Purdue University Center for Commercial Agriculture

Growth in trade of animal products has been quite dramatic since the mid-1980s and U.S. agricultural producers – those engaged in animal agriculture and those engaged in feed grain and oilseed production – have benefited greatly. In particular, U.S. crop producers have benefited because the increase in U.S. meat exports has encouraged expansion of U.S. animal agriculture and thereby helped boost demand for U.S. produced feed grains and oilseeds.

To see this more clearly, it's helpful to examine how dramatic the shift has been in both U.S. meat production and exports. In the mid-1980s U.S. meat production (beef, pork and poultry, combined) totaled just over 56 billion pounds per year and meat exports, to all destinations, in the mid-1980s totaled about 1 billion pounds. By 2017, U.S. meat production totaled 105 billion pounds, which was more than double its mid-1980s level. But meat exports skyrocketed, increasing 17-fold from the 1980s, and actually exceeded 17 billion pounds in 2017. That means meat exports, which averaged less than 2 percent of U.S. meat production in the mid-1980s, rose above 16 percent of U.S. production in 2017. In a span of just over three decades the U.S. went from exporting less than 2 pounds out of every hundred pounds of meat produced to exporting 16 pounds out of every hundred pounds of meat. And it did so in a time frame when total meat production nearly doubled.

Pork, beef and poultry exports all increased since the mid-1980s, but the rate of growth was not uniform across these three major meat production sectors. Beef exports increased six-fold, reaching 2.9 billion pounds in 2017 compared to less than 500 million pounds in the 1980s. Poultry exports increased 12-fold, rising from an average of 625 million pounds in the 1980s to nearly 7.7 billion pounds in 2017. But the most dramatic increase occurred in the pork sector. U.S. pork exports during the mid-80s averaged just over 100 million pounds. By 2017 pork exports totaled 5.6 billion pounds, a stunning 52-fold increase compared to three decades earlier.

Exports have turned into an important source of demand for all major meat production sectors. During 2017, 11 percent of U.S. beef production was exported, up from less than 2 percent in the 1980s. The poultry sector exported 16 percent of production during 2017 vs. about 3 percent three decades ago. And the U.S. pork sector, which exported less than 1 percent of production in the mid-1980s, exported 22 percent of U.S. production during 2017.

Future growth in U.S. meat exports will depend primarily on income growth in importing countries, competitiveness of the U.S. meat production sector and U.S. producers' access to markets around the world. Growth in meat exports over the last three decades has facilitated growth in U.S. animal agriculture. Future growth in the U.S. meat sector will depend on continued growth in meat exports.

