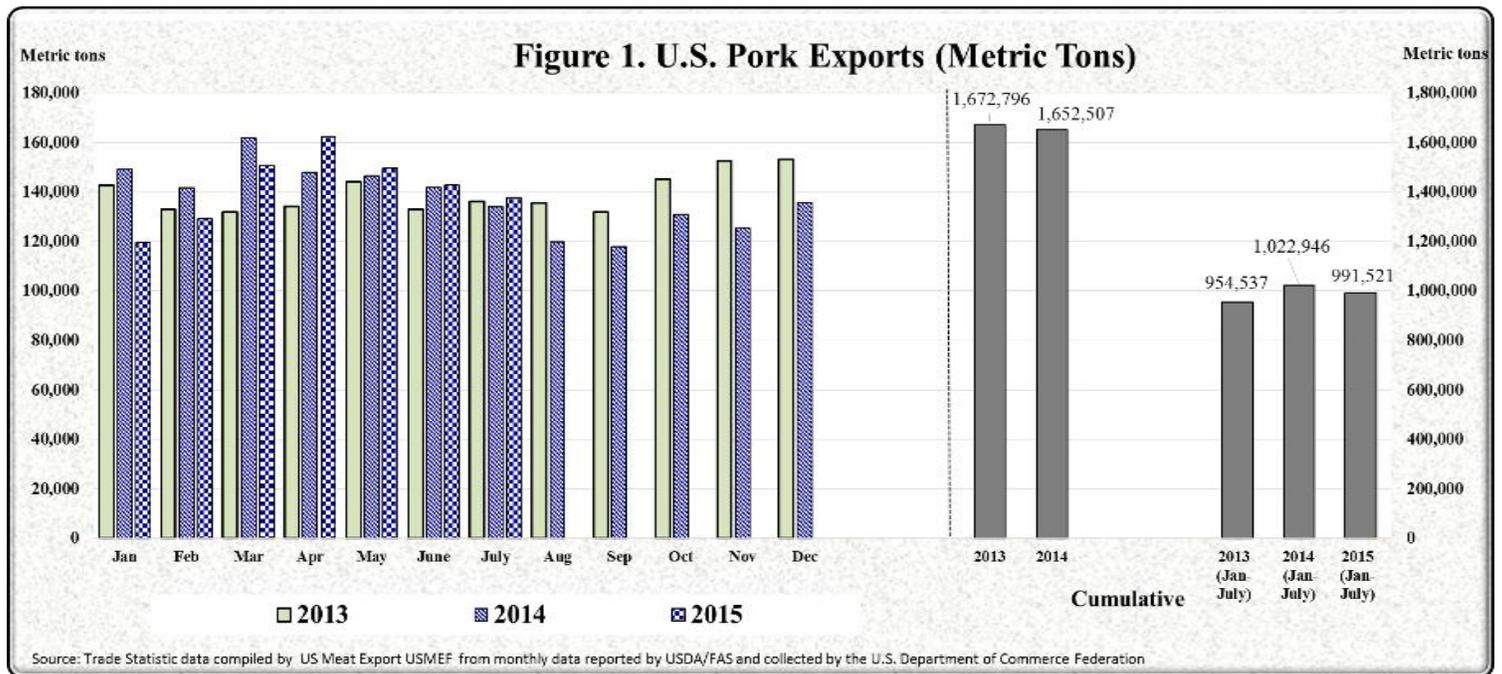


U.S. Pork Exports: January to July 2015 (9/11/2015)

U.S. pork exports during the first seven months of 2015 reached a volume of 991,521 metric tons, 3.9% above the amount of pork exported in 2013 (954,537 metric tons) during the same seven-month period, but down 3.1% from the volume exported from January to July 2014 (1,022,946 metric tons) (see Figure 1).

At the beginning of 2015, U.S. pork exports were negatively impacted by severe traffic congestion in the West Coast ports; however in April, U.S. pork exports registered the largest export volume (162,394 metric tons) of the year. Since then, U.S. pork exports has been declining month after month, amid a strong U.S. dollar, as well as intense competition from other pork producing countries, particularly those from the European Union (EU). July 2015 exports (137,684 metric tons) were up 2.8% year-over-year (133,907 metric tons) but down 3.5% from the volume of exports reported during the previous month (142,656 metric tons) (see Figure 1).



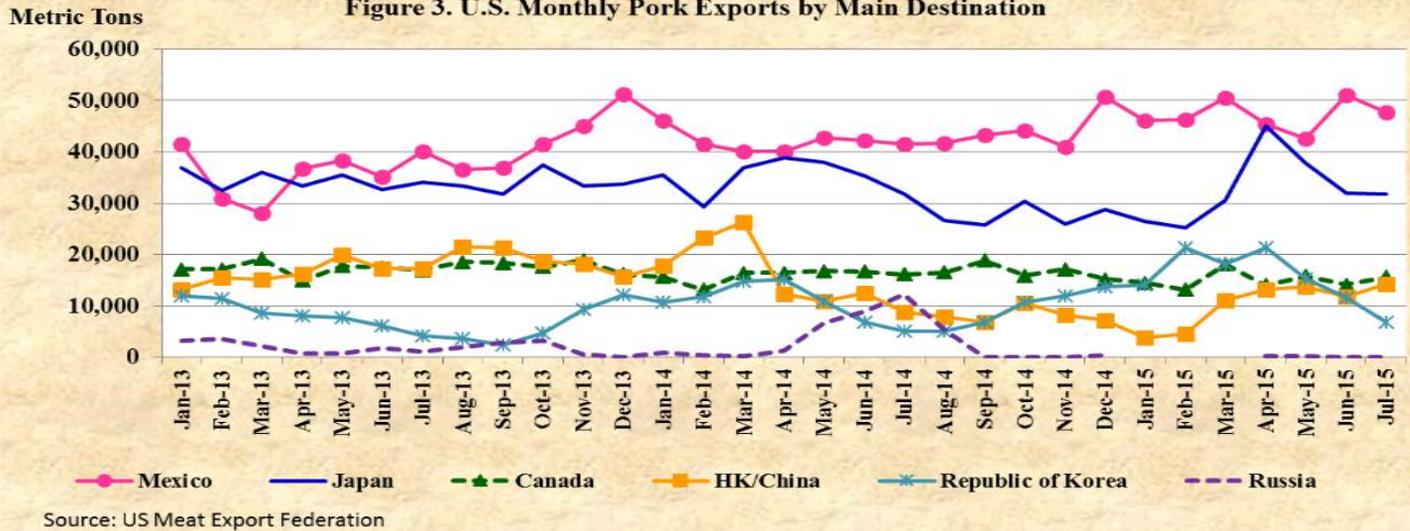
Mexico and Japan continue as the main importers of U.S. pork. U.S. pork shipments to Mexico in July 2015 were up 14.9% to 47,744 metric tons from a year ago, but down 6.4% relative to the volume exported the previous month (50,999 metric tons). July's exports to Japan were down 0.2% to 31,776 metric tons, compared to the volume exported a year ago (31,844 metric tons) and 0.4% below the volume exported in June 2015 (31,892 metric tons) (see Figure 2). From January to July 2015 pork export volume to Mexico (329,660 metric tons) was 12.1% above 2014 during the same period (294,166 metric tons). Conversely, shipments to Japan during the first seven months of 2015 (228,759 metric tons) were down 6.8% relative to 2014 volume exported (245,497 metric tons) during the same time (January to July).

The volume of U.S. pork shipped to Canada this year (105,345 metric tons, January to July) was 5% lower than the volume dispatched during the first seven months of 2014 (111,236 metric tons). Exports in July 2015, increased 10.5% to 15,623 metric tons in contrast to last month's volume (14,138 metric tons) (see Figure 2).

U.S. pork exports to Korea in July 2015 were up 35.4% to 6,775 metric tons compare to a year ago (5,002 metric tons); nonetheless exports in July fell 41.5% from the previous month's volume (11,573 metric tons). Despite this reduction, U.S. pork exports to Korea from January to July 2015 remain ahead 45% to 108,560 metric tons compared to the same period last year (74,846 metric tons).

U.S. pork exports to Hong Kong/China in 2015 (January to July) decreased 35% to 72,577 metric tons in contrast to the volume shipped in 2014 (111,794 metric tons, January to July). U.S. pork exports to China have been restrained by China's continued enforcement of its ractopamine residues in pork ban. The ban limits the number of U.S. pork plants eligible to supply U.S. pork in China. Exports to China face more challenges given the recent depreciation of the yuan, which may discourage the expansion of Chinese imports.

Figure 3. U.S. Monthly Pork Exports by Main Destination



Source: US Meat Export Federation

U.S. pork exports during the first seven months of 2015 have been hindered by varied factors, from a strong U.S. dollar relative to other currencies, which makes U.S. pork less competitive in foreign markets, to West Coast port traffic congestions at the beginning of the year, to limited access to the Chinese market due to the ractopamine pork ban. Exports to China may further dwindle given the recent depreciation of their currency. In addition, the U.S. Meat Export Federation (USMEF) indicated that the Russian ban on meats has created an excess supply of lower-priced European Union (EU) pork production, whose main market has traditionally been the Russian market. This excess EU pork production has been effectively marketed not only in the Chinese market, but in the Japanese market as well. Other markets that have increased their pork imports from EU are the Philippines, Taiwan, Singapore, Australia, and Korea.