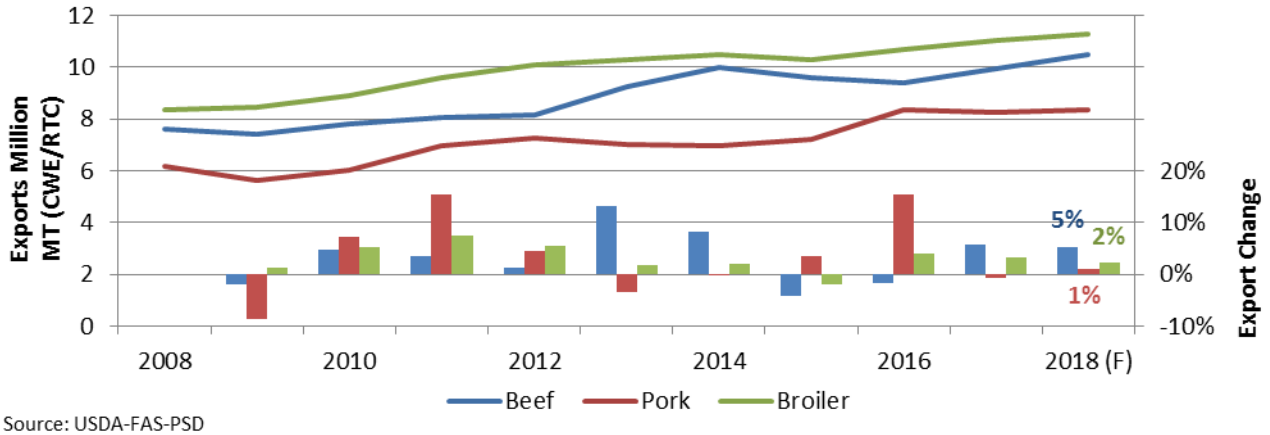
United States Department of Agriculture
Foreign Agricultural Service
April 10, 2018

Livestock and Poultry: World Markets and Trade

All Meat Trade Forecast Up in 2018: Beef Leads the Charge



Source: USDA-FAS-PSD

For the first time since 2012, trade in all meats (beef, pork, and broiler meat) is expected to rise. While pork and broiler meat will make modest gains of 1 and 2 percent respectively, beef growth will rise 5 percent.

Beef: The hardy increase in world beef trade will be driven by strong global demand and competitive prices. Major exporters Brazil and the United States will have increased exportable supplies at slightly lower prices. U.S. beef exports are forecast up 6 percent in 2018, buoyed by strong demand from South Korea, Japan, Canada, and Mexico.

Pork: As record pork volumes are marketed in the United States, European Union (EU), and Canada, producers will seek international buyers for part of the gain. U.S. exports are expected to rise nearly 5 percent, but the forecast is marginally lowered due to the impact of China's imposition of tariffs on U.S. pork. Tariffs will rise from 24.3 percent (including value-add tax) to 50.7 percent and will likely price many U.S. muscle cuts out of the market. EU, Brazilian, and Canadian pork are expected to displace U.S. product. However, without tariffs, China will reduce imports this year as surging domestic production has pressured prices and reduced the competitiveness of imports. While U.S. shipments will be negatively affected by higher tariffs and lower Chinese demand, the impact on overall export volumes will largely be offset by increased shipments to other markets including Mexico, Japan, and the Philippines.

Broiler Meat: Despite increased production by major exporters Brazil and the United States, barriers to trade constrain additional export growth. The United States is unable to ship to China due to highly pathogenic avian influenza-based restrictions. For all traders, shipments will be constrained by Saudi Arabia's implementation of a ban on stunning and the regional trade blockade of Qatar.

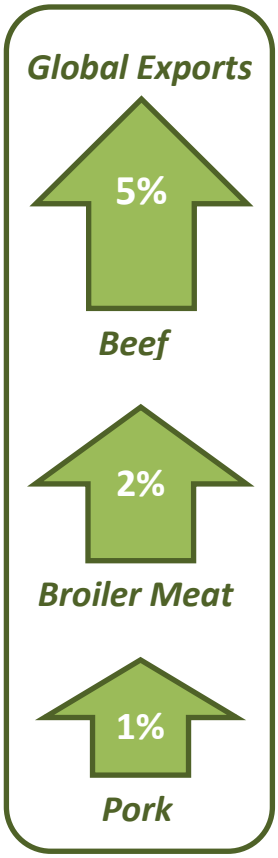


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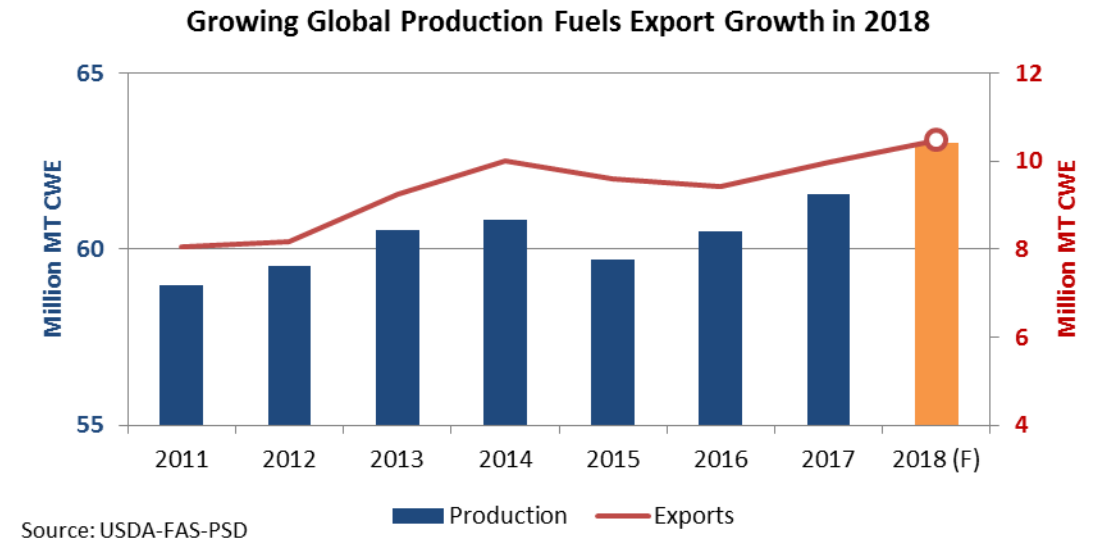
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Beef and Veal

Global production is forecast to grow marginally (2 percent) in 2018 to 63.0 million tons, primarily from gains in Brazil, the United States, and Argentina. Brazil's expansion is driven largely by higher carcass weights, stronger domestic demand, and record exports. Dry weather conditions in Argentina are forcing some producers to market cattle earlier, alleviating pressure on pastures. This higher slaughter rate is expected to marginally boost production. Australia's unfavorable seasonal weather conditions and poor pastures will slow herd rebuilding efforts, while higher carcass weights will boost production slightly.

Global exports in 2018 are forecast nearly 5 percent higher to 10.5 million tons driven by shipments from Brazil, Argentina, Australia, and the United States. Russia's sanctions on Brazil will intensify global competition as it seeks to divert shipments to new destinations, most likely to Asian markets. Robust demand in China and Hong Kong will continue to grow as stagnant domestic production is unable to fulfill rising consumption.

U.S. production and exports: Production is forecast up 6 percent in 2018 to a record 12.6 million tons as the U.S. herd expansion continues. Exports are forecast up 6 percent to a record 1.4 million tons, more than 10 percent of production. U.S. product regained access to the Chinese market in May 2017, but remains a small component of total U.S. exports. In 2017, the United States exported to China 4,284 metric tons (0.4 percent of total exports). Sustained shipments, fueled by ample supplies and competitive prices, will drive growth in key U.S. markets such as South Korea, Japan, Mexico and Canada.



Beef and Veal Production - Selected Countries Summary

1,000 Metric Tons (Carcass Weight Equivalent)

	2014	2015	2016	2017	2018 Oct	2018 Apr
Production						
Brazil	9,723	9,425	9,284	9,550	9,700	9,900
European Union	7,443	7,684	7,880	7,900	7,900	7,855
China	6,890	6,700	7,000	7,260	7,110	7,325
India	4,100	4,100	4,200	4,250	4,300	4,300
Argentina	2,700	2,720	2,650	2,830	2,900	2,915
Australia	2,595	2,547	2,125	2,149	2,250	2,280
Mexico	1,827	1,850	1,879	1,925	1,960	1,960
Pakistan	1,685	1,710	1,750	1,780	1,800	1,800
Turkey	1,245	1,423	1,484	1,382	1,600	1,450
Russia	1,375	1,355	1,335	1,315	1,300	1,300
Others	10,156	9,379	9,388	9,278	9,286	9,339
Total Foreign	49,739	48,893	48,975	49,619	50,106	50,424
United States	11,075	10,817	11,507	11,938	12,448	12,601
Total	60,814	59,710	60,482	61,557	62,554	63,025
Total Dom. Consumption						
China	7,277	7,339	7,759	8,227	8,140	8,530
Brazil	7,896	7,781	7,652	7,750	7,935	7,935
European Union	7,514	7,744	7,904	7,871	7,840	7,825
Argentina	2,503	2,534	2,434	2,537	2,550	2,565
India	2,018	2,294	2,436	2,401	2,450	2,400
Mexico	1,839	1,797	1,809	1,841	1,875	1,860
Pakistan	1,627	1,636	1,685	1,721	1,726	1,736
Russia	2,297	1,966	1,847	1,812	1,770	1,685
Turkey	1,250	1,457	1,496	1,408	1,628	1,500
Japan	1,225	1,186	1,215	1,277	1,265	1,314
Others	12,078	10,807	10,854	10,709	10,847	10,968
Total Foreign	47,524	46,541	47,091	47,554	48,026	48,318
United States	11,241	11,276	11,678	12,046	12,524	12,592
Total	58,765	57,817	58,769	59,600	60,550	60,910

Notes: Includes meat of other bovines for certain countries. India includes carabeef (water buffalo). From 2015, the following countries are excluded: Albania, Azerbaijan, Cote d'Ivoire, Georgia, Ghana, Jamaica, Senegal and Uzbekistan. The notation of a month beneath a year conveys the month in which the forecast for that year was released.

Beef and Veal Trade - Selected Countries Summary

1,000 Metric Tons (Carcass Weight Equivalent)

	2014	2015	2016	2017	2018 Oct	2018 Apr
Total Imports						
China	417	663	812	974	1,025	1,200
Japan	739	707	719	817	815	832
Hong Kong	646	339	453	543	410	580
Korea, South	392	414	513	531	560	559
Russia	932	621	522	509	480	400
European Union	372	363	368	338	360	340
Egypt	270	360	340	250	280	320
Chile	241	245	298	281	300	295
Canada	272	269	243	229	235	235
Malaysia	205	237	218	211	210	215
Others	2,082	1,909	1,852	1,912	1,943	1,977
Total Foreign	6,568	6,127	6,338	6,595	6,618	6,953
United States	1,337	1,529	1,367	1,358	1,374	1,379
Total	7,905	7,656	7,705	7,953	7,992	8,332
Total Exports						
Brazil	1,909	1,705	1,698	1,856	1,825	2,025
India	2,082	1,806	1,764	1,849	1,850	1,900
Australia	1,851	1,854	1,480	1,486	1,525	1,610
New Zealand	579	639	587	593	570	560
Canada	378	397	441	469	475	480
Uruguay	350	373	421	435	420	420
Paraguay	389	381	389	378	380	400
European Union	301	303	344	367	420	370
Argentina	197	186	216	293	350	350
Mexico	194	228	258	280	295	305
Others	598	683	663	665	626	682
Total Foreign	8,828	8,555	8,261	8,671	8,736	9,102
United States	1,167	1,028	1,159	1,298	1,320	1,372
Total	9,995	9,583	9,420	9,969	10,056	10,474

Notes: Includes meat of other bovines for certain countries. Indian exports are carabeef (water buffalo). From 2015, the following countries are excluded: Albania, Azerbaijan, Cote d'Ivoire, Georgia, Ghana, Jamaica, Senegal and Uzbekistan. The notation of a month beneath a year conveys the month in which the forecast for that year was released.

Cattle Stocks - Selected Countries Summary

(in 1,000 head)

	2014	2015	2016	2017	2018 Oct	2018 Apr
Total Cattle Beg. Stks						
India	300,600	301,100	302,600	303,600	305,000	305,000
Brazil	207,959	213,035	219,180	226,045	232,350	232,350
China	103,000	100,450	100,275	99,173	98,100	96,850
European Union	87,619	88,406	89,152	89,152	89,030	88,445
Argentina	51,545	51,545	52,565	53,515	54,215	53,765
Australia	29,291	29,102	27,413	24,971	25,500	25,500
Russia	19,564	19,152	18,879	18,638	18,380	18,380
Mexico	17,760	17,120	16,615	16,490	16,585	16,584
Turkey	14,533	14,345	14,128	14,222	14,550	14,500
Uruguay	11,903	12,053	12,016	11,864	11,804	11,754
Others	76,103	44,185	43,746	43,967	44,153	44,314
Total Foreign	919,877	890,493	896,569	901,637	909,667	907,442
United States	88,526	89,143	91,918	93,705	94,400	94,399
Total	1,008,403	979,636	988,487	995,342	1,004,067	1,001,841
Production (Calf Crop)						
India	66,000	67,000	67,500	68,200	68,700	68,700
China	47,900	49,000	50,000	50,500	50,900	50,900
Brazil	49,600	48,220	48,250	48,735	49,500	49,500
European Union	29,280	29,900	30,100	29,450	30,080	29,400
Argentina	13,300	14,200	14,000	14,200	14,800	14,300
Australia	11,063	9,394	6,600	9,050	10,000	10,000
Mexico	6,750	6,850	7,100	7,485	7,580	7,700
Russia	6,670	6,620	6,600	6,480	6,400	6,400
New Zealand	5,440	5,040	5,060	4,714	4,900	4,748
Canada	4,496	4,198	4,256	4,411	4,400	4,450
Others	18,214	13,686	13,727	14,191	13,975	14,020
Total Foreign	258,713	254,108	253,193	257,416	261,235	260,118
United States	33,522	34,087	35,093	35,808	37,100	36,500
Total	292,235	288,195	288,286	293,224	298,335	296,618

Notes: May contain other bovines. From 2015, Colombia and Venezuela are excluded. The notation of a month beneath a year conveys the month in which the forecast for that year was released.

Cattle Trade - Selected Countries Summary

(in 1,000 head)

	2014	2015	2016	2017	2018 Oct	2018 Apr
Total Imports						
Turkey	50	203	494	896	700	1,150
Egypt	200	170	300	250	250	250
Canada	45	36	32	141	30	100
China	316	129	133	121	100	100
Russia	75	144	63	66	30	65
Others	615	37	47	49	51	49
Total Foreign	1,301	719	1,069	1,523	1,161	1,714
United States	2,358	1,984	1,708	1,805	1,925	1,905
Total	3,659	2,703	2,777	3,328	3,086	3,619
Total Exports						
Mexico	1,177	1,213	1,130	1,203	1,225	1,250
European Union	499	810	997	1,048	1,010	1,150
Australia	1,297	1,336	1,154	928	900	900
Canada	1,267	860	789	663	730	660
Brazil	649	212	293	407	430	430
Others	380	336	434	471	420	473
Total Foreign	5,269	4,767	4,797	4,720	4,715	4,863
United States	108	73	69	193	135	160
Total	5,377	4,840	4,866	4,913	4,850	5,023

Notes: May contain other bovines. From 2015, Colombia and Venezuela are excluded. The notation of a month beneath a year conveys the month in which the forecast for that year was released.

Uruguay Furthers Position in Global Beef Production and Trade

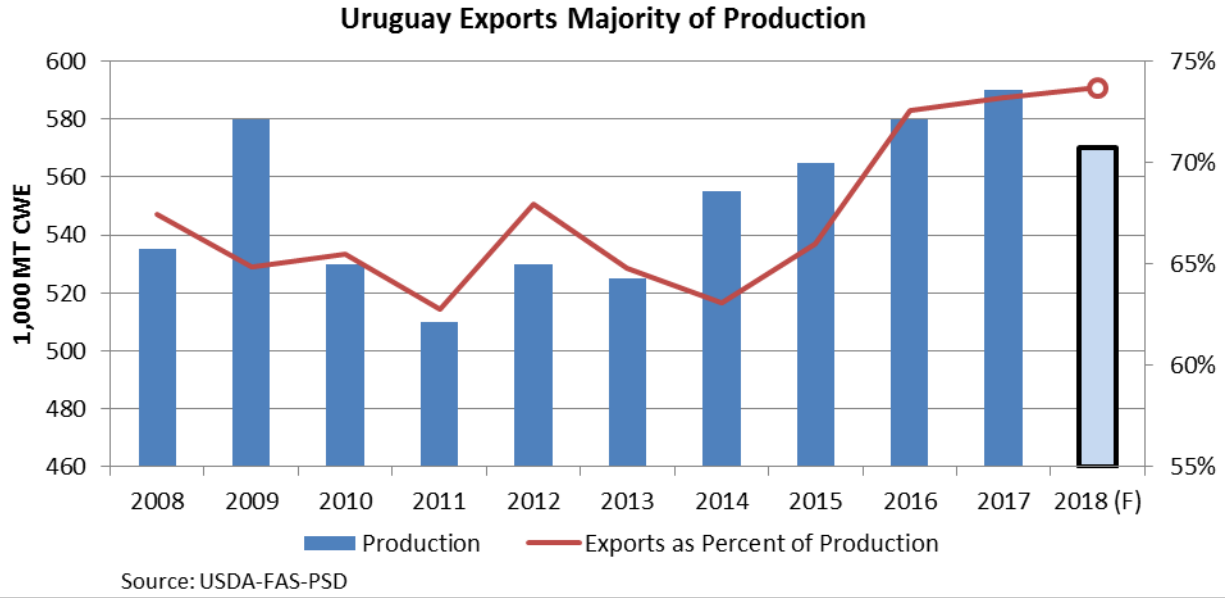
Tyler Cozzens, Agricultural Economist

HIGHLIGHTS:

- Uruguay's beef production forecast down 4 percent as available cattle supplies will be constrained by continued adverse weather conditions.
- Nearly three-quarters of Uruguay's beef production will be exported, mainly to China.
- Uruguay's livestock traceability system furthers position as global beef producer and exporter.

Uruguay Continues Growth as Global Cattle and Beef Producer

Uruguay continues to grow in importance as a cattle and beef producer not only in South America but also globally. This is not surprising as Uruguay has a population of nearly 3.4 million people but over 14.7 million head of cattle (2017) and, hence, exports nearly three-quarters of its beef production. Although Uruguay's beef production of 593,000 metric tons in 2017 was ranked fourth in Mercosur and 17th globally, production has increased on average 2 to 3 percent each year over the last 4 years. Production growth has been fueled by continued expansion in exports to China.



Source: USDA-FAS-PSD

Uruguay's Traceability System Furthers Position as Global Beef Exporter

Uruguay's 2001 outbreak of foot and mouth disease (FMD) severely threatened its livestock industry. The country recovered and is now recognized by the World Organization for Animal Health (OIE) as FMD free (with vaccination) and since 2006 has been considered a negligible risk for bovine spongiform encephalopathy (BSE). Overcoming outbreaks of both FMD and BSE resulted in Uruguay implementing a fully functional traceability system in 2007 for all its cattle called the

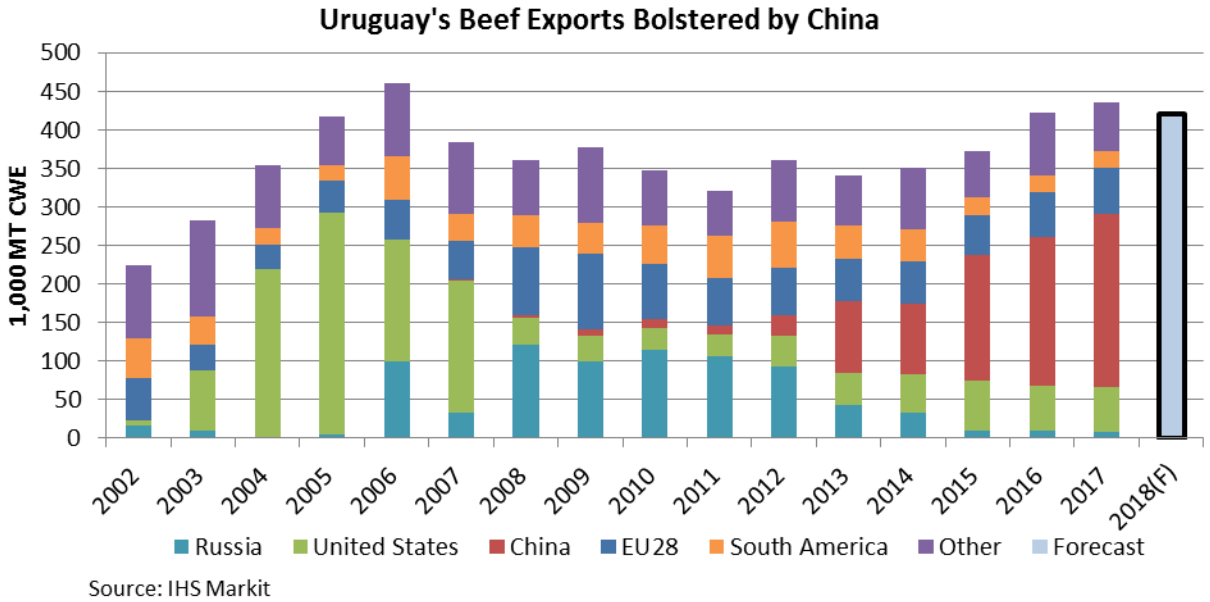
Electronic Information System of the Meat Industry (SEIIC) [1]. The SEIIC includes an individual ear tag-based animal identification system on farms and full product traceability at approved slaughter facilities. This system allows Uruguay to comply with the European Union's "EAN128" traceability regulations, which require traceability one step forward and backward and recalls must be facilitated within 2 hours of detection. Through the traceability system, Uruguay has improved management and marketing of the industry's beef production system, furthering its position as a global cattle and beef producer.

Uruguay's SEIIC Traceability System Stages and Slaughter Facility Data Collection

1. Cow's birth to delivery at slaughter facility.
2. Post-mortem of cow to processing of carcass.
    - Live Weight
    - Bleeding
    - Pre-dressing
    - Classification
    - Deboning room entry
    - Deboning room packing
    - Dispatch of boxes
3. Delivery of processed carcass from slaughter facility to retailer or export destination.

Uruguay's Evolving and Varied Beef Export Markets

Until 2007, the United States was the main destination for Uruguay's beef shipments accounting for a nearly 70 percent export share in 2005. In 2006, Uruguay's exports reached a record 460,000 tons carcass weight equivalent (CWE) with the United States and Russia serving as the top destinations (shares of 34 percent and 21 percent, respectively). From 2008 to 2012, Russia was the primary destination holding between about one-quarter to one-third of Uruguay's beef export market share. China emerged as the top destination in 2013 and still holds the top position in 2017 capturing over half of exports. Shipments to South America and EU have remained relatively consistent ranking as top five markets for Uruguay.

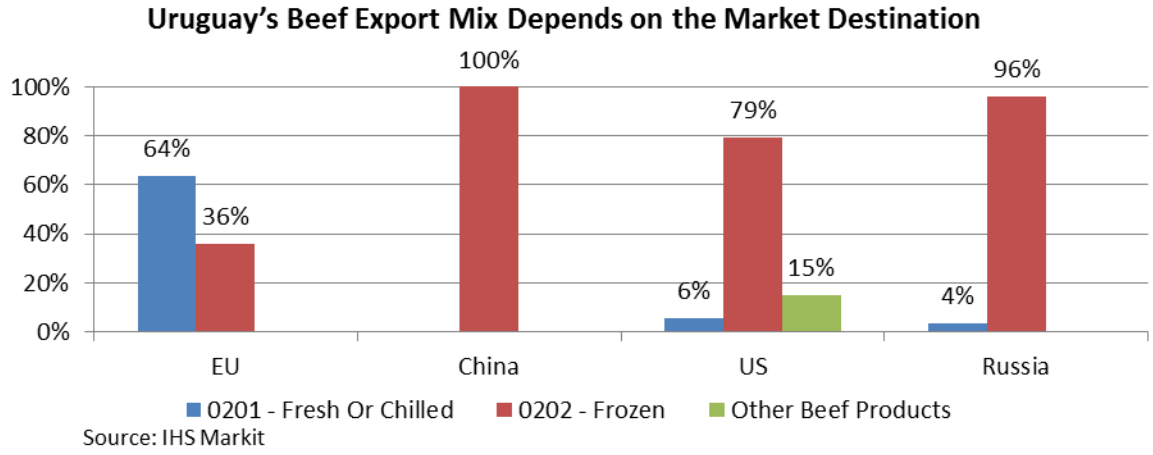


Source: IHS Markit

[1] Source: https://marel.com/innova/stories-and-news/customer-stories/the-national-meat-institute-uruguay/98

Uruguay's Exports to EU Competitive under the Hilton Quota and EU 481 Program

Uruguay's cattle and beef production system is comprised primarily of a grass-fed and free-range system, which coupled with the SEIIC traceability system, further differentiates their product from other global competitors. The European Union ranked as the number two destination for Uruguay's exports in 2017, by both value and volume, accounting for 14 percent of the export share volume (59,266 tons CWE). EU import data report that, in 2017, Uruguay was the number two supplier at 59,142 tons CWE behind Brazil at 138,850 tons CWE. Uruguay exports to the EU under the "Hilton Quota" with access of 6,300 tons, comprised primarily of high value, fresh and chilled, boneless cuts. Another alternative for Uruguay's exports to the EU is under its 481 quota of 45,000 tons, a first-come, first-served program, which requires that cattle must be slaughtered before 30 months of age and must be fed on grains (or their by-products) for the last 100 days (or more). In 2017, the EU's beef imports were 338,000 tons, and Uruguay was the number two supplier shipping over 59,000 tons behind Brazil's 139,000 tons.



Despite Dry Conditions, Uruguay Exports Forecast Strong for 2018

Uruguay's 2018 beef production is forecast down 4 percent to 570,000 tons CWE as available cattle supplies will be constrained by dry weather and poor pasture conditions in the region. Uruguay is forecast to remain the number four beef producer and continue as the number two beef exporter, in Mercosur, at 420,000 tons CWE behind Brazil. Uruguay is forecast to export nearly three-quarters of its beef production in 2018 with China expected to remain as the primary destination along with stable markets in the European Union and United States. Certainly, the country's livestock traceability system strengthens its ability to compete as both producer and exporter.

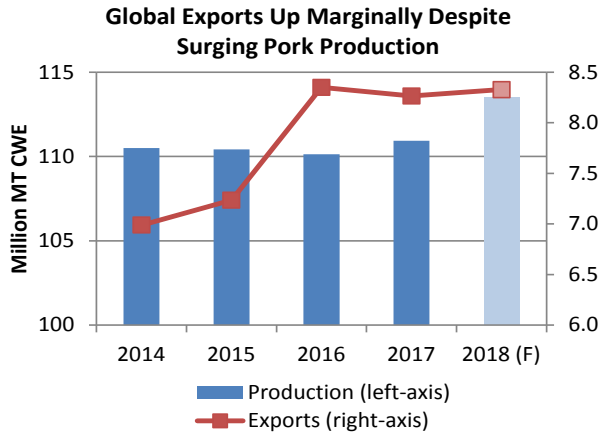
For more information, contact: Tyler Cozzens | USDA-FAS, Office of Global Analysis, Global Commodity Analysis Division | Tyler.Cozzens@fas.usda.gov, (202) 690-2993

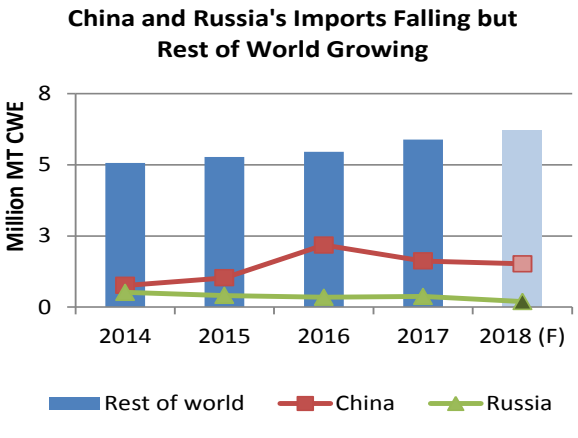
Pork

Global production is forecast up over 2 percent in 2018 to 113.5 million tons, primarily on expansion in China and to a lesser extent the United States and European Union (EU). Steady economic growth is boosting meat demand in most countries, while relatively low feed prices support producer margins. Large investments in China are resulting in growing hog numbers and will support 2-percent growth in pork production this year. EU production is also forecast up almost 2 percent, as producers have added sows in Poland, the Netherlands, and Spain. Hog prices remained favorable throughout 2017, incentivizing expansion. However, weak domestic demand and a challenging export outlook – owing to weaker demand from China and a stronger euro – are likely to pressure prices this year. Pork production is also growing in Russia as a ban on imports from Brazil has boosted demand for domestic pork.

Global exports are forecast 1 percent higher in 2018 driven by higher demand and lower pork prices. Mexico, Hong Kong, Philippines, and Taiwan are expected to lead growth, while demand is also up in South and Central America. While income growth will increase demand for pork in most markets, gains in domestic production will reduce demand from some buyers. For example, China's imports are forecast lower due to a recovery in its pork sector, while Russia is expected to reduce purchases due to its recent ban on Brazilian product.

U.S. production and exports: Production is expected to gain 5 percent in 2018 on higher hog slaughter and gains in carcass weights. Strong domestic and export demand boosted hog prices during 2017, but rising supplies are forecast to drive live hog prices down 9 percent for the year. Lower pork prices will boost demand from Mexico – the top U.S. market – as well as Japan, South Korea, and Canada. Despite steady to higher demand in most major markets, shipments will fall to China. Growth in China's production will reduce demand for imported pork in general, while the imposition of additional duties will make it more difficult for U.S. pork to compete with other suppliers.





Pork Production - Selected Countries Summary

1,000 Metric Tons (Carcass Weight Equivalent)

	2014	2015	2016	2017	2018 Oct	2018 Apr
Production						
China	56,710	54,870	52,990	53,400	54,750	54,650
European Union	22,540	23,249	23,866	23,675	23,350	24,050
Brazil	3,400	3,519	3,700	3,725	3,755	3,675
Russia	2,510	2,615	2,870	2,960	3,000	3,050
Vietnam	2,431	2,548	2,701	2,741	2,775	2,800
Canada	1,805	1,899	1,914	1,970	2,000	2,015
Philippines	1,402	1,463	1,540	1,563	1,635	1,600
Korea, South	1,200	1,217	1,266	1,280	1,332	1,321
Mexico	1,135	1,164	1,211	1,267	1,480	1,305
Japan	1,264	1,254	1,279	1,282	1,270	1,280
Others	5,733	5,503	5,480	5,455	5,535	5,551
Total Foreign	100,130	99,301	98,817	99,318	100,882	101,297
United States	10,368	11,121	11,320	11,610	12,188	12,166
Total	110,498	110,422	110,137	110,928	113,070	113,463
Total Dom. Consumption						
China	57,194	55,668	54,980	54,812	56,115	55,950
European Union	20,390	20,873	20,753	20,832	20,563	21,165
Russia	3,021	3,016	3,192	3,298	3,275	3,230
Brazil	2,846	2,893	2,870	2,941	2,927	3,052
Japan	2,543	2,568	2,626	2,741	2,705	2,777
Vietnam	2,414	2,526	2,647	2,703	2,740	2,777
Mexico	1,836	2,017	2,091	2,180	2,510	2,325
Korea, South	1,660	1,813	1,894	1,926	1,990	1,959
Philippines	1,600	1,637	1,734	1,803	1,919	1,884
Taiwan	875	937	902	929	918	943
Others	6,887	6,664	6,653	6,795	7,054	7,018
Total Foreign	101,266	100,612	100,342	100,960	102,716	103,080
United States	8,544	9,341	9,475	9,540	9,868	9,947
Total	109,810	109,953	109,817	110,500	112,584	113,027

Note: From 2015, the following countries are excluded: Albania, Armenia, Congo (Brazzaville), Gabon, Georgia, Ghana, Jamaica, North Korea, Kyrgyzstan, Moldova, Switzerland and Trinidad and Tobago. From 2016, Venezuela is excluded. The notation of a month beneath a year conveys the month in which the forecast for that year was released.

Pork Trade - Selected Countries Summary

1,000 Metric Tons (Carcass Weight Equivalent)

	2014	2015	2016	2017	2018 Oct	2018 Apr
Total Imports						
China	761	1,029	2,181	1,620	1,600	1,525
Japan	1,332	1,270	1,361	1,475	1,435	1,500
Mexico	818	981	1,021	1,083	1,200	1,200
Korea, South	480	599	615	645	655	645
Hong Kong	347	397	429	463	425	500
Philippines	199	175	195	241	285	285
Canada	214	216	215	222	225	230
Australia	191	220	210	215	230	225
Russia	516	408	347	375	300	200
Taiwan	63	107	77	111	105	130
Others	961	811	840	928	1,134	1,006
Total Foreign	5,882	6,213	7,491	7,378	7,594	7,446
United States	459	506	495	506	454	483
Total	6,341	6,719	7,986	7,884	8,048	7,929
Total Exports						
European Union	2,164	2,388	3,125	2,857	2,800	2,900
Canada	1,220	1,239	1,320	1,324	1,350	1,355
Brazil	556	627	832	786	830	625
China	277	231	191	208	235	225
Chile	163	178	173	171	195	185
Mexico	117	128	141	170	170	180
Australia	37	36	38	43	45	45
Vietnam	21	30	65	50	43	35
Belarus	25	5	11	13	18	25
Serbia	25	19	11	16	22	20
Others	73	82	66	86	70	70
Total Foreign	4,678	4,963	5,973	5,724	5,778	5,665
United States	2,310	2,272	2,377	2,555	2,706	2,676
Total	6,988	7,235	8,350	8,279	8,484	8,341

Note: From 2015, the following countries are excluded: Albania, Armenia, Congo (Brazzaville), Gabon, Georgia, Ghana, Jamaica, North Korea, Kyrgyzstan, Moldova, Switzerland and Trinidad and Tobago. From 2016, Venezuela is excluded. The notation of a month beneath a year conveys the month in which the forecast for that year was released.

Swine Stocks - Selected Countries Summary

(in 1,000 head)

	2014	2015	2016	2017	2018 Oct	2018 Apr
Total Beginning Stocks						
China	474,113	465,830	451,130	435,040	420,000	433,250
European Union	146,172	148,341	148,716	147,188	147,200	150,112
Brazil	38,844	39,395	39,422	39,215	38,960	38,829
Russia	19,081	19,405	21,345	21,888	22,200	22,200
Canada	12,835	13,160	13,630	13,945	14,100	14,325
Mexico	9,775	9,700	9,917	10,697	11,275	11,075
Korea, South	9,912	10,090	10,187	10,367	10,600	10,514
Japan	9,537	9,440	9,313	9,346	9,307	9,346
Ukraine	7,922	7,492	7,240	6,816	6,350	6,248
Belarus	3,267	2,925	3,205	3,145	3,125	3,156
Others	2,098	2,308	2,272	nr	nr	nr
Total Foreign	733,556	728,086	716,377	697,647	683,117	699,055
United States	64,775	67,776	68,919	71,545	72,125	73,415
Total	798,331	795,862	785,296	769,192	755,242	772,470
Production (Pig Crop)						
China	729,927	696,600	672,500	689,500	710,000	710,000
European Union	261,750	265,287	266,000	267,500	265,000	271,500
Russia	37,000	39,830	41,477	42,645	43,300	44,330
Brazil	38,470	39,050	39,635	40,230	40,300	40,000
Canada	27,177	29,002	28,822	29,175	29,650	29,550
Mexico	17,600	18,000	19,200	19,400	20,200	19,800
Korea, South	16,812	17,600	18,384	18,550	19,200	19,355
Japan	17,050	16,700	16,900	16,785	16,700	16,700
Ukraine	9,527	9,624	9,296	7,700	9,600	8,000
Belarus	4,850	5,200	5,200	5,325	5,385	5,385
Others	5,022	4,921	5,028	nr	nr	nr
Total Foreign	1,165,185	1,141,814	1,122,442	1,136,810	1,159,335	1,164,620
United States	114,856	121,411	125,936	129,389	132,300	133,586
Total	1,280,041	1,263,225	1,248,378	1,266,199	1,291,635	1,298,206

Notes: The notation of a month beneath a year conveys the month in which the forecast for that year was released. nr - represents "no reporting" countries (data sets excluded beginning in 2017). From 2017, the following country is excluded: Australia.

Swine Trade - Selected Countries Summary

(in 1,000 head)

	2014	2015	2016	2017	2018 Oct	2018 Apr
Total Imports						
Mexico	14	42	20	37	28	40
Ukraine	22	22	4	8	3	12
Belarus	5	8	9	6	3	5
China	9	4	8	6	5	5
European Union	1	3	3	6	4	5
Korea, South	2	2	3	5	3	5
Russia	8	2	8	7	5	5
Canada	3	6	3	3	5	3
Brazil	0	1	0	1	1	1
Japan	1	0	1	1	1	1
Others	0	0	0	nr	nr	nr
Total Foreign	65	90	59	80	58	82
United States	4,947	5,740	5,656	5,600	5,700	5,625
Total	5,012	5,830	5,715	5,680	5,758	5,707
Total Exports						
Canada	4,960	5,776	5,672	5,614	5,725	5,650
China	1,737	1,696	1,552	1,557	1,550	1,550
European Union	567	436	288	340	250	350
Ukraine	1	1	27	33	35	35
Mexico	0	0	0	8	8	8
Russia	0	2	7	5	5	5
Belarus	0	1	5	2	0	2
Brazil	3	4	2	5	2	2
Japan	0	0	0	0	0	0
Korea, South	0	0	0	0	0	0
Others	0	0	0	nr	nr	nr
Total Foreign	7,268	7,916	7,553	7,564	7,575	7,602
United States	19	41	48	59	70	55
Total	7,287	7,957	7,601	7,623	7,645	7,657

Notes: The notation of a month beneath a year conveys the month in which the forecast for that year was released. nr - represents "no reporting" countries (data sets excluded beginning in 2017). From 2017, the following country is excluded: Australia.

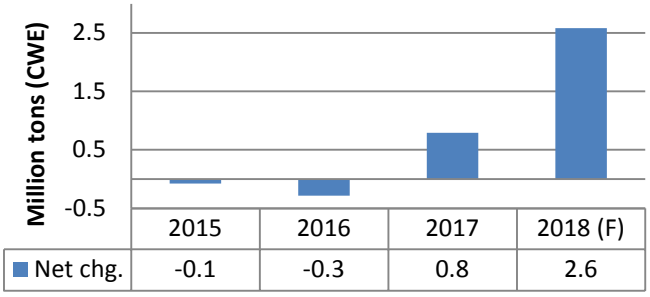
Year of the Pig Comes Early: Record Pork Supplies on World Market

Lindsay Kuberka, Agricultural Economist

Robust meat demand during 2017 and expectations for further growth are driving a major expansion in pork production across countries. Global production is forecast to grow over 2 percent in 2018, the highest rate in over 5 years, led by gains in China, the United States, and the European Union. Growth is supported by the following factors:

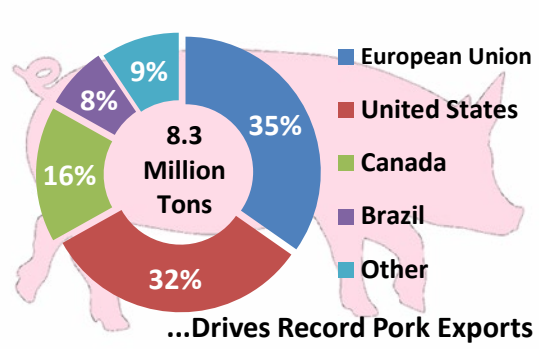
- **World economic growth** continues to be robust, raising consumer incomes and supporting demand for red meat. Gains in per capita pork consumption are occurring in both mature and developing markets, boosting trade and encouraging higher production.
- **Feed prices** are sustained at relatively low levels. While hot, dry weather in Argentina has caused a recent escalation in global corn and soy prices, most producers face a low-cost feeding environment and positive returns.
- **Major diseases** are mostly in abeyance. African swine fever (Russia, Ukraine, and Eastern Europe) and porcine epidemic diarrhea virus (Korea and Canada) outbreaks continue in some regions but are not expected to be a significant limitation to production.

World Growth in Pork Production...



	2015	2016	2017	2018 (F)
Net chg.	-0.1	-0.3	0.8	2.6

Source: USDA-FAS-PSD



...Drives Record Pork Exports

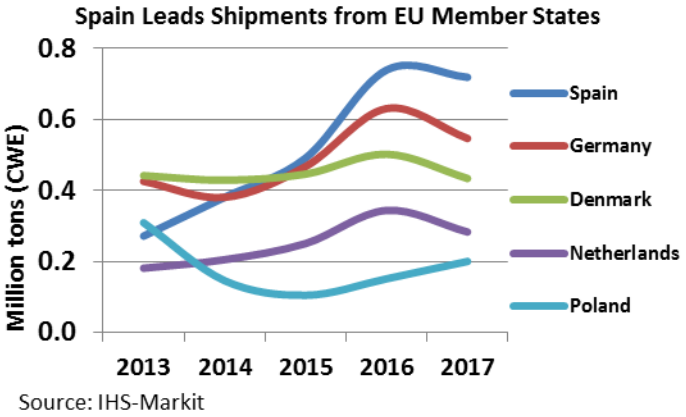
As record pork volumes are marketed in the United States, EU, and Canada, producers will seek international buyers. While import demand remains strong in many regions including Mexico, Japan, and Hong Kong; demand is slowing in China, South Korea, and the United States due to higher domestic production. In addition, trade policy actions – including Russia's ban of Brazilian pork and China raising tariffs on U.S. pork – raise uncertainty in the market and are bearish for trade. While shipments are forecast to grow during 2018, the market will clear at lower prices.

Pork Poised for a Bumper Crop

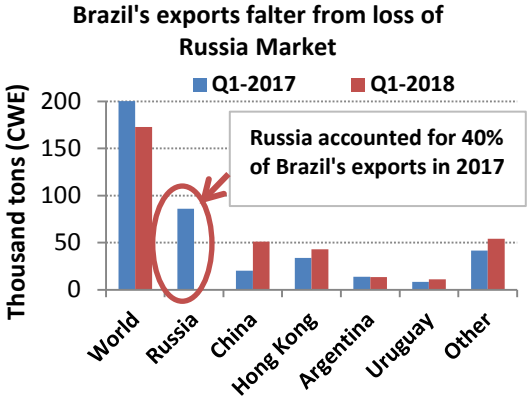
China: Pork production will rebound swiftly in China as the industry emerges from a period of consolidation. After several years of declines in the sow herd, investments over the past 2 years are resulting in rising supplies of pigs. Since the seasonal peak in pork demand during Lunar New Year

celebrations in February, hog prices have fallen precipitously, suggesting large supplies of hogs coming to market. Prices are approaching 10 yuan/kg – below the cost of production for most producers. At the same time, corn and soy prices are on the rise, putting additional pressure on margins. The return of negative margins is expected to put the brakes on the aggressive expansion of the past couple years, but not prevent over 2-percent production growth during 2018.

European Union: Firm export demand last year is driving a 2-percent gain in EU pork production in 2018. Despite a sharp reduction in China's buying during 2017, EU exporters were able to expand market share elsewhere including the United States, Philippines, and Japan. While production will grow by 375,000 tons, exports will expand by just 50,000 tons. The domestic market will struggle to absorb this increase in supply as pork demand is falling or stable in most parts of Europe. Therefore, forecast growth in EU consumption in part reflects gains in privately-held stocks. Weak domestic demand is already affecting production in parts of the EU (especially Germany), but higher carcass prices and stable feed costs have encouraged producers to add sows in Poland (+5.8 percent), the Netherlands (+4.3 percent), and Spain (+2.6 percent). Spain's producers in particular have capitalized on lower costs relative to other EU member states while consumer demand has also supported prices in the country. Spain should remain the top EU exporter in 2018, having more than doubled its exports between 2013 and 2017.



Source: IHS-Markit



Brazil: Pork was poised for a comeback this year as its economy recovers from recession and domestic demand strengthens. However, production growth is challenged by several factors including the closure of Brazil's top export market Russia, a recent escalation in feed costs due to a smaller corn crop, and the continuing fallout from the government's investigation of major meat processors (Operation Weak Flesh). In December 2017, Russia restricted imports of all Brazilian pork after Ractopamine residues were found in imported meat. About 20 percent of Brazilian production is exported and Russia accounted for over 40 percent of shipments last year. The loss of the Russian market is driving uncertainty in export demand and contributed to a decline in carcass prices this year. While lower prices and China's recent action on U.S. pork are expected to boost sales to other markets – such as China and Hong Kong – weaker hog prices will drive pork production down 1 percent.

United States: U.S. pork production is forecast up 5 percent this year owing to bullish domestic and export demand during 2017. U.S. per capita pork consumption has increased for the past 3 years and expected to reach 30 kg per person in 2018. This would be the highest since 2004 and considerably above the 2010-2014 average of 27 kg. Higher pork demand was evidenced by accelerating wholesale pork prices accompanied by rising supplies during 2017. Pork belly drove much of the rise in pork prices, while prices for most other major cuts such as hams and loins averaged near prior-year levels. In addition, the opening of several new slaughter facilities increased competition for hogs and likely resulted in higher hog prices in the latter half of 2017. USDA's March Quarterly Hogs and Pigs Report indicated that producers farrowed 2 percent more hogs during the second quarter of 2018. These farrowings, coupled with continued gains in pigs per litter, support larger numbers of hogs coming to market in the latter half of 2018.

Production Gains Likely to Outpace Demand Growth

As world economic growth continues, rising consumer incomes are expected to support gains in per capita pork consumption during 2018. Demand is accelerating in parts of Latin America, Asia, and Oceania where pork consumption is below the global average. Consumers are also eating more pork in mature markets in East Asia and North America. However, several large pork importers will reduce purchases during 2018 due to growth in domestic production. Simultaneous growth in production among exporters and reduced demand from top importers is expected to lead to fierce competition and lower prices during 2018.

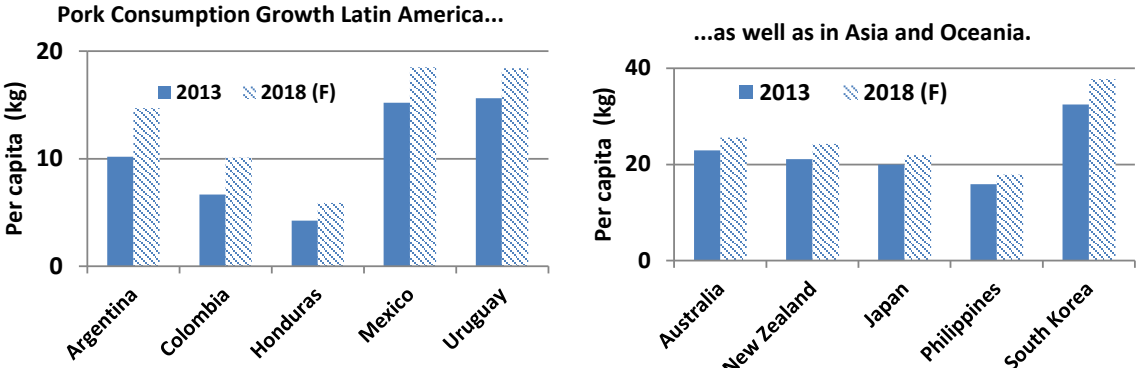
Growth Markets

Latin America: Pork consumption is rising quickly in Latin America, especially Argentina, Colombia, Mexico, Uruguay, and parts of Central America. These countries have relatively small and inefficient pork industries and consumers have traditionally preferred beef. The combination of high beef prices and increased marketing efforts has resulted in the growing popularity of pork. Demand is rising faster than production in most of the region and imports remain competitively priced to domestic product. This has supported growing imports in the region, mostly from Brazil and the United States. While Brazil has an advantage in its neighboring countries (Argentina and Uruguay), Mexico, Colombia, and Central American countries source predominately from the United States as free trade agreements provide duty-free access for U.S. pork in these countries.

Asia and Oceania: Pork consumption is also growing in Asia and Oceania. Income growth and an expanding middle class are boosting demand in the Philippines where pork is the preferred meat. Imports account for a growing percentage of consumption – 15 percent in 2018 – due to competitive prices. Imports are also growing in Japan and South Korea. A "meat boom" was observed in Japan last year, driving pork consumption 4 percent higher – the highest rate in over 10 years. Food service demand is growing, but the majority of pork is

consumed at home and is offsetting lower fish consumption. After a boom in pork consumption during 2018, Japan's imports will grow at a lower rate as consumption growth returns to trend.

In Korea, pork consumption also remains robust, buoyed by higher use in the processing sector. Pork is increasingly used in ready-to-eat preparations which are becoming more popular as single-person households grow in number. Korea's imports are expected to stabilize this year due to recovery in local production. Domestic pork is still preferred by most consumers and is becoming more affordable as local hog prices decline.

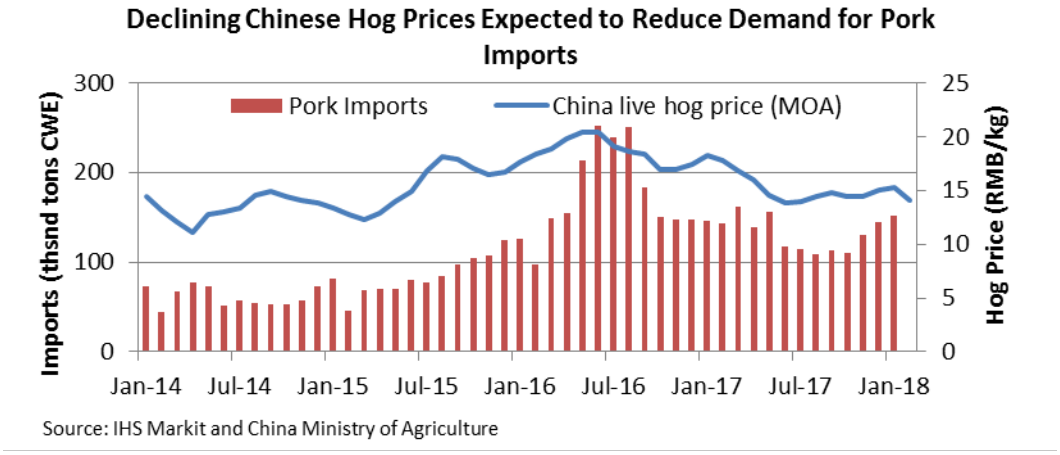


Source: USDA-FAS-PSD

Pork consumption is also growing in Oceania. As in South America, Australia and New Zealand primarily produce and consume beef while small domestic pork industries operate at high cost. Imported pork trades at a significant discount to domestic product. Despite heavy restrictions on pork imports, which limit their use in the processing sector, Australia's imports continue to grow. Competitive prices and higher demand will drive imports up 5 percent in 2018.

Markets in Retreat

Russia: As recent as 2012, Russia was the second-largest pork importer after Japan. Since then, Russia has cut imports by nearly two-thirds facilitated by restrictions on major global suppliers (European Union, United States, and Canada). Growth in local production has made up much of the difference as Russia nears self-sufficiency. Imports are forecast to drop to just 200,000 tons in 2018 with the recent ban on Brazilian pork, which accounted for 90 percent of imports last year. Russia's residual suppliers – Belarus, Chile, and Paraguay – collectively produce less than Russia's total imports last year. Notwithstanding a change in policy, the restriction is expected to drastically reduce shipments to Russia this year.



China: Demand from China will be closely monitored in 2018 as rebounding production will slacken demand from the top global importer. Brazilian pork displaced from the Russian market is likely to make inroads, while EU and Canadian pork will fight to maintain market share. China recently imposed an additional 25 percent duty on imports of U.S. pork, which is likely to limit the ability for U.S. pork to compete against other suppliers. U.S. pork averaged 13 to 14 percent of China's imports over the past few years. China's hog prices declined precipitously during the first quarter of 2018, narrowing the gap between domestic and imported pork where imported pork typically trades at a significant discount to domestic pork. As a result, demand for imports will fall during 2018.

Prices Decline to Balance Market

Across major pork-producing countries, the sector remains in expansion mode. Strong demand during 2017 pushed carcass prices higher while relatively low feed prices widened producer margins. This year, margins are expected to shrink as feed prices rise and supplies increase more quickly than demand. Production growth this year will be led by China, recovering from a downturn in its swine herd. Production will also grow assertively in the United States, Canada, and European Union due to expectations of export demand and increased domestic consumption in North America. However, production growth in major import markets and trade disruptions introduce significant risk for exporters. While trade continues to grow in 2018, several of the largest buyers – China and Russia – will reduce purchases. As exporters scramble to maintain market shares or look for new opportunities, prices are likely to finish 2018 lower than they started.

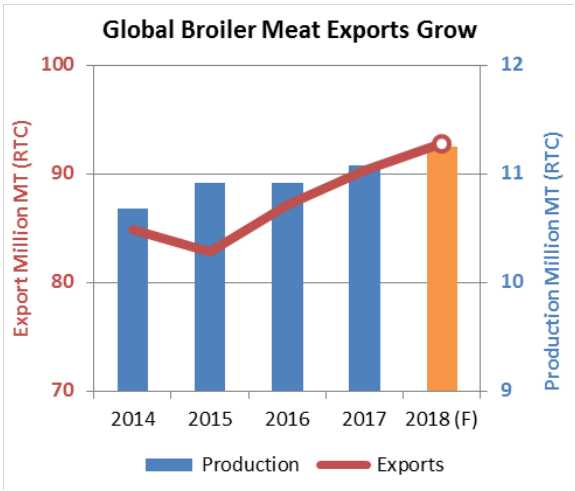
For more information, contact: Lindsay Kuberka | USDA-FAS, Office of Global Analysis, Global Commodity Analysis Division | Lindsay.Kuberka@fas.usda.gov, (202) 644-4650

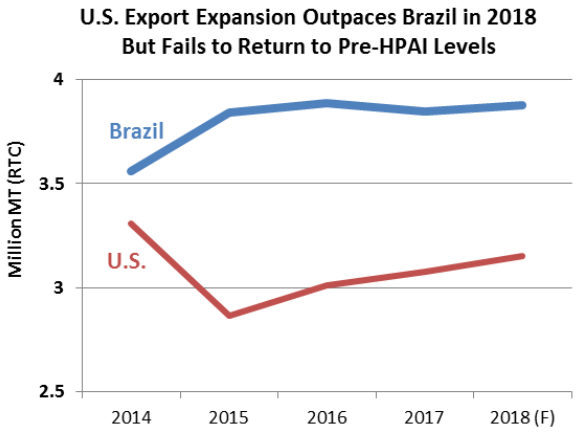
Broiler Meat

Global production is forecast to grow 2 percent in 2018 to 92.5 million tons, primarily from gains in the United States, Brazil, India, and the European Union (EU). Production is forecast higher in virtually all countries, albeit in some cases moderately. U.S. and Brazilian expansion is bolstered by ample feed supplies at relatively low prices, the absence of highly pathogenic avian influenza (HPAI) and modest global demand. Gains in EU and India are driven by rising domestic demand. Following 2 years of decline, China's production is now forecast up slightly (one percent) on efforts to curb HPAI outbreaks, stable feed costs and rebounding domestic demand. However, expansion remains partially constrained by a lack of new genetic stock due to HPAI-related bans on most major suppliers.

Global exports in 2018 are forecast 2 percent higher to a record 11.3 million tons supported by stronger demand from a diversity of markets, in particular Japan, Cuba, Hong Kong, Angola, Iraq, and Ghana. Brazil is forecast 1 percent higher to a record of 3.9 million tons as market access challenges in Saudi Arabia and China will be more than offset by larger shipments to other markets. Thailand is forecast 7 percent up to 810,000 tons on strong demand in Asia and expanded China market access. Ukraine's shipments will increase 18 percent to 310,000 tons on demand by the Middle East, EU, and North Africa.

U.S. production and exports: Production is expected to rise 2 percent to a record 19.0 million tons in 2018, supported primarily by growth in domestic consumption. Exports will rise 3 percent to nearly 3.2 million tons. The United States will face fierce competition in several key markets as competitor Brazil seeks to offset a loss in shipments to Saudi Arabia due to the ban on stunning.





Broiler Meat Production - Selected Countries Summary

1,000 Metric Tons (Ready to Cook Equivalent)

	2014	2015	2016	2017	2018 Oct	2018 Apr
Production						
Brazil	12,692	13,146	12,910	13,150	13,550	13,375
European Union	10,450	10,890	11,560	11,840	11,880	12,000
China	13,000	13,400	12,300	11,600	11,000	11,700
India	3,725	3,900	4,200	4,400	4,600	4,600
Russia	3,260	3,600	3,730	4,000	3,910	4,000
Mexico	3,025	3,175	3,275	3,400	3,500	3,500
Turkey	1,894	1,909	1,900	2,137	1,975	2,250
Argentina	2,050	2,080	2,055	2,086	2,110	2,110
Thailand	1,570	1,700	1,780	1,900	1,990	1,965
Malaysia	1,584	1,633	1,671	1,690	1,710	1,710
Others	16,205	15,766	15,546	15,819	16,083	16,256
Total Foreign	69,455	71,199	70,927	72,022	72,308	73,466
United States	17,306	17,971	18,262	18,696	18,970	19,004
Total	86,761	89,170	89,189	90,718	91,278	92,470
Total Dom. Consumption						
China	12,830	13,267	12,344	11,475	11,095	11,535
European Union	10,029	10,441	11,047	11,230	11,320	11,410
Brazil	9,137	9,309	9,024	9,306	9,402	9,502
India	3,716	3,892	4,196	4,396	4,597	4,596
Mexico	3,738	3,960	4,061	4,198	4,269	4,314
Russia	3,660	3,805	3,853	4,083	4,015	4,105
Japan	2,232	2,324	2,389	2,489	2,425	2,598
Argentina	1,773	1,894	1,905	1,911	1,916	1,916
Turkey	1,516	1,588	1,604	1,730	1,600	1,828
South Africa	1,572	1,660	1,688	1,718	1,765	1,783
Others	20,916	20,179	20,042	20,407	20,849	20,699
Total Foreign	71,119	72,319	72,153	72,943	73,253	74,286
United States	14,043	15,094	15,332	15,643	15,838	15,923
Total	85,162	87,413	87,485	88,586	89,091	90,209

Notes: Chicken paws are excluded. From 2015, the following countries are excluded: Bahrain, Georgia, Iran, Jamaica and Moldova. From 2016, Venezuela is excluded. The notation of a month beneath a year conveys the month in which the forecast for that year was released.

Broiler Meat Trade - Selected Countries Summary

1,000 Metric Tons (Ready to Cook Equivalent)

	2014	2015	2016	2017	2018 Oct	2018 Apr
Total Imports						
Japan	888	936	973	1,056	990	1,150
Mexico	722	790	791	804	775	820
European Union	712	730	763	700	720	710
Iraq	698	625	661	656	635	685
South Africa	369	457	528	524	510	529
Saudi Arabia	762	863	886	780	740	450
Cuba	186	224	233	278	320	350
Hong Kong	299	312	344	291	400	350
United Arab Emirates	225	277	296	310	335	320
Angola	365	221	205	264	300	300
Others	3,646	3,144	3,247	3,248	3,490	3,287
Total Foreign	8,872	8,579	8,927	8,911	9,215	8,951
United States	53	59	59	57	59	59
Total	8,925	8,638	8,986	8,968	9,274	9,010
Total Exports						
Brazil	3,558	3,841	3,889	3,847	4,150	3,875
European Union	1,133	1,179	1,276	1,310	1,280	1,300
Thailand	546	622	690	757	800	810
China	430	401	386	436	385	440
Turkey	378	321	296	410	375	425
Ukraine	168	158	236	262	310	310
Argentina	278	187	158	181	200	200
Belarus	113	135	145	150	150	155
Canada	137	133	134	134	145	135
Russia	50	71	104	124	120	120
Others	388	370	378	353	340	355
Total Foreign	7,179	7,418	7,692	7,964	8,255	8,125
United States	3,310	2,867	3,014	3,075	3,189	3,152
Total	10,489	10,285	10,706	11,039	11,444	11,277

Notes: Chicken paws are excluded. From 2015, the following countries are excluded: Bahrain, Georgia, Iran, Jamaica and Moldova. From 2016, Venezuela is excluded. The notation of a month beneath a year conveys the month in which the forecast for that year was released.

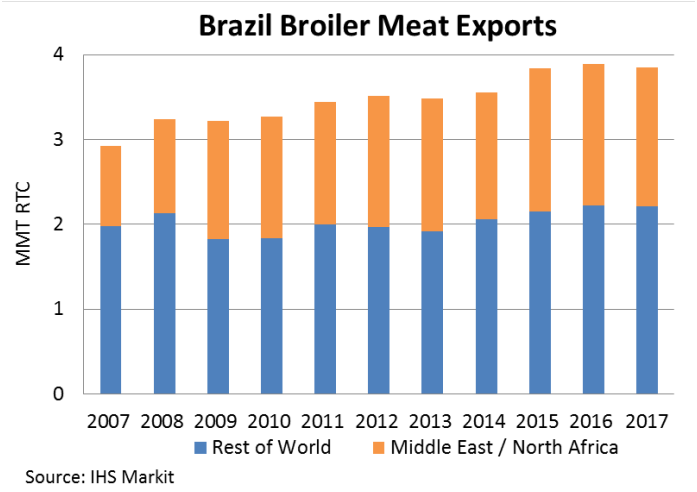
Brazil Broiler Meat Exports to the Middle East and North Africa: Growing, Challenging, and Changing

Claire Mezoughem, Agricultural Economist

HIGHLIGHTS:

Brazil's broiler meat exports to the Middle East and North Africa region (MENA) have experienced strong growth but have proven to be erratic. Saudi Arabia is Brazil's top market accounting for 15 percent of total trade in 2017. MENA now accounts for 43 percent of Brazil's total broiler meat exports, up from 32 percent in 2007. The market is also changing as shipments of parts (rather than whole birds) are increasing to Saudi Arabia. However, Brazilian shipments to MENA will likely be lower in 2018 as various growth markets (Egypt, Iraq, Libya, Oman and UAE) will not offset declines spurred by Saudi Arabia's implementation of a ban on stunning and the regional trade blockade of Qatar.

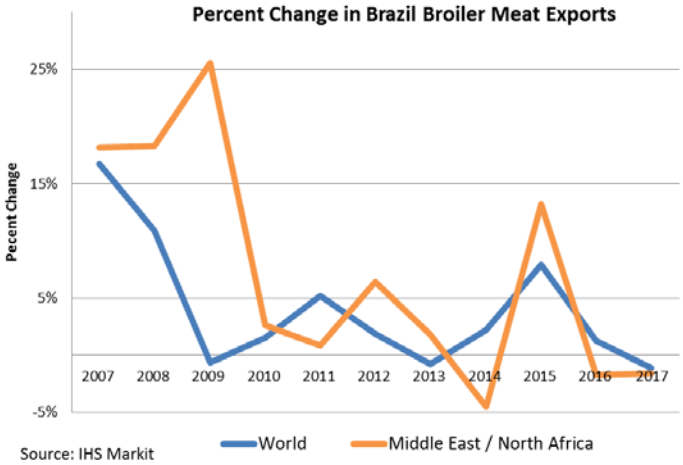
Middle East and North Africa Region Drives Export Growth



Source: IHS Markit

Brazil's total broiler meat exports rose spectacularly (32 percent) between 2007 and 2017. This growth was supported by many markets, especially developing ones, including MENA[1]. Growth in shipments to MENA was some of the strongest for Brazil, the world's leading exporter, increasing 74 percent during the past decade. MENA accounted for 43 percent of Brazil's total broiler meat exports, up from 32 percent in 2007.

MENA: Despite Gains a Challenging Market for Brazil



Source: IHS Markit

MENA has been a substantial growth market for Brazil, but it is not without its challenges. In fact, Brazil's broiler meat shipments to MENA declined in 2016 and 2017. Further, expansion and contraction of shipments to MENA have experienced much wider swings compared to total trade over the past decade. Thus while MENA is a strong and growing market, it is somewhat erratic.

[1] MENA Region is defined in this article as: Algeria, Bahrain, Egypt, Gaza Strip, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, Turkey, United Arab Emirates, West Bank, and Yemen.

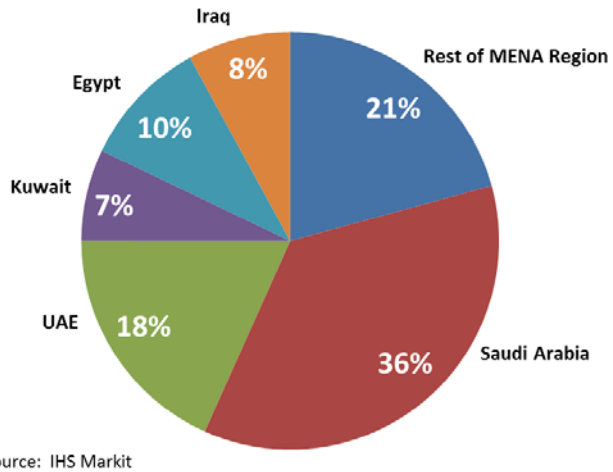
Brazilian Investments Bolster Trade

Processing, distribution and marketing investments have enabled Brazil to expand shipments to MENA. BRF (formerly Brasil Foods, one of the world's largest food companies) through its halal processed food unit OneFoods Holdings Ltd, has made significant capital investments, such as a $160 million processed product facility in Kizad (UAE).[2] OneFoods reports that since 2009, it has invested $800 million in MENA and is the leading supplier to the region.[3] These investments have enabled OneFoods to transition from 99 percent export distribution (using middlemen) in MENA to 70 percent wholly-owned distribution (via subsidiaries) in 2016.[4]

Saudi Arabia Dominates MENA Trade

Despite a decline in shipments in the past two years, Saudi Arabia continues to dominate as Brazil's leading market. In 2017, Saudi Arabia accounted for 15 percent and 36 percent, of Brazil's global and MENA shipments, respectively. Five countries (Saudi Arabia, United Arab Emirates (UAE), Egypt, Iraq[5], and Kuwait), combined, account for nearly 80 percent of exports to MENA. Thus most of Brazil's shipments to MENA are to the Middle East, with only Egypt as a significant North African market. The majority of shipments within MENA are to high-income countries, but Brazil does have substantial trade with lower-middle income MENA economies.[6]

Destinations of Brazil Broiler Meat Exports to Middle East / North Africa in 2017



Source: IHS Markit

Saudi Arabia

- Traditionally imports account for half of consumption and Brazil supplies 80 percent of imports.
- A fast growing economy over the past 2 decades resulted in socio-economic changes. Increased disposable income, changing lifestyles, urbanization, and expansion of the HRI sector enabled consumers to shift from carbohydrate to protein-based diets.
- Most of the animal-based protein consumption is broiler meat due to its relatively competitive pricing.
- Saudi Arabia requires hormone-free certification, animal protein-free feeding, halal certification, and other standards and specifications which Brazil has been able to meet.
- All imports are frozen product, mostly for the expatriate population and the HRI sector as Saudi consumers prefer locally produced fresh broiler meat.
- Broiler meat from Brazil, compared with other key international suppliers, is preferred by the HRI sector as the bird sizes are smaller, which fit in rotisseries. (Saudi consumers perceive large broilers (1,200 to 1,400 grams) as old and not tender.)

[2] BRF. November 26, 2014. https://imprensa.brf-global.com/release-detalhe.cfm?codigo=616&idioma=EN.
[3] One Foods. January 2017. http://ir.brf-global.com/download_arquivos.asp?id_arquivo=98F9F366-121C-4D21-B93F-EBB7E056C3D5.
[4] Ibid.
[5] Shipments to Iraq include transshipments via Turkey.
[6] World Bank. Country Groups. https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups.

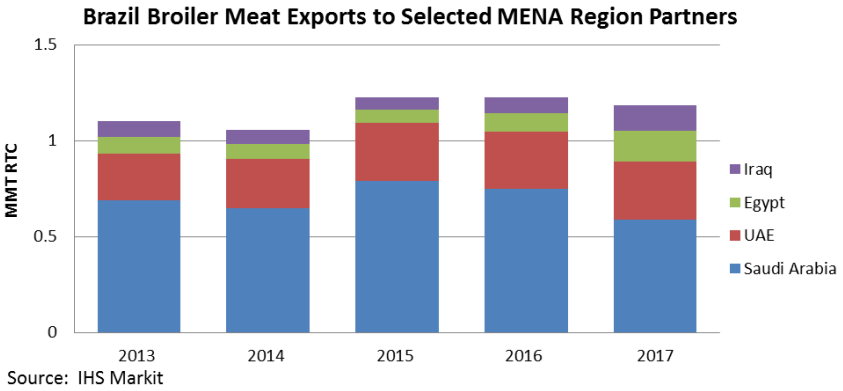
UAE

- Imports account for 87 percent of consumption and Brazil supplies 70 percent of Imports.
- Economic growth, increased tourism, and an influx of foreign workers bolstered demand.
- Nearly 60 percent of all imported poultry meat is used by the food service sector.
- The relatively low price of leg quarters makes them popular with catering companies that service the massive manual labor sector.

Egypt

- Although USDA does not publish PSD estimates of Egyptian broiler meat, FAO data suggests that imports generally account for only 5 to 15 percent of consumption.
- Shipments are limited to whole birds as imports of parts, particularly leg quarters, are banned to protect the domestic industry.

Diversity of MENA Region Markets Helps Largely Overcome Challenges in 2017



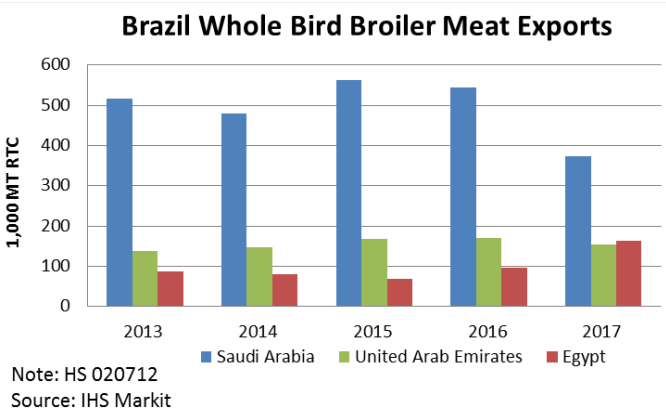
Source: IHS Markit

Despite a strong decline in shipments to its two largest markets (Saudi Arabia and the UAE), Brazil's exports to MENA were down only 2 percent in 2017 as the decline was mostly offset with higher shipments to Egypt (whole birds) and Iraq (leg quarters).

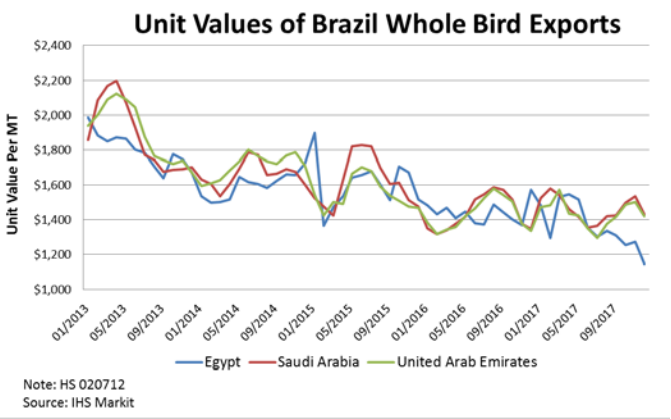
Saudi Arabia and UAE: Brazil's shipments to Saudi Arabia were 21 percent lower in 2017 due a number of factors including the departure of several hundred thousand expatriates[7], increased Brazilian prices in the second half of the year, as well as higher Saudi Arabian production. Exports to the UAE were virtually unchanged as trade was constrained by new halal certification requirements, increased UAE production, the "weak flesh" scandal in Brazil, and consumer concerns about avian influenza.

Egypt and Iraq: With aggressive pricing, Brazil's broiler meat exports to Egypt increased 67 percent during 2017 as the market experienced reduced domestic supplies and high prices.[8] In November 2016, Egypt's Central Bank devalued the pound as one of the key recommendations made by the International Monetary Fund as part of assistance and support including a $12 billion loan. Although increasing the price of imported products,the action crippled production by boosting prices of baby chicks, vaccines, feed and other imported supplies.[9] The decline in domestic production coupled with resultant high prices enabled significant growth in imports.

[7] The departure of a significant number of expatriate family members was spurred by a newly imposed levy on dependents.
[8] Poultry producers complain of losses amid imports' low prices. Egypt Today. December 21, 2017. https://www.egypttoday.com/Article/3/37684/Poultry-producers-complain-of-losses-amid-imports%E2%80%99-low-prices.
[9] Poultry Industry in Egypt: Rise in Prices of Chicken Meat. June 22, 2017. https://en.engormix.com/poultry-industry/articles/poultry-industry-egypt-rise-t40853.htm.



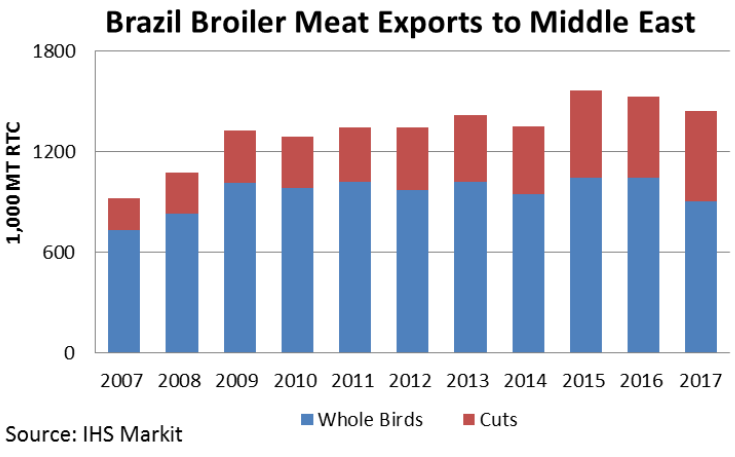
Note: HS 020712
Source: IHS Markit



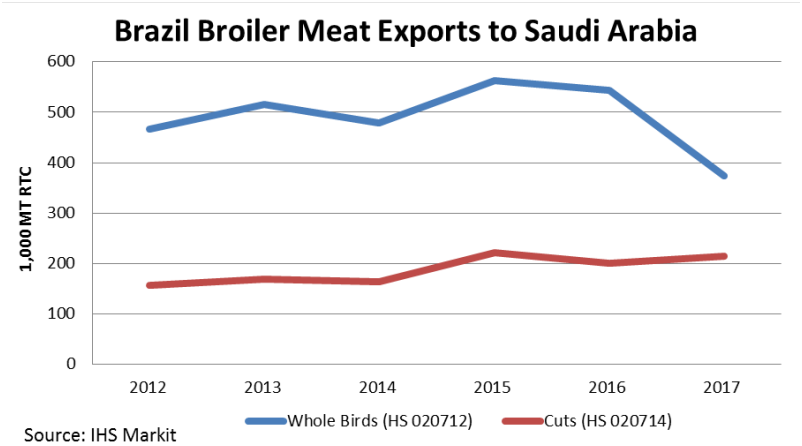
Note: HS 020712
Source: IHS Markit

Shifts in Middle East Broiler Meat Demand: Trade in Cuts Expanding and Resilient

The majority of MENA broiler meat imports are frozen whole birds or cuts. Shipments of fresh as well as prepared/preserved broiler meat are marginal. While MENA has traditionally been a market for whole birds, shipments of cuts are increasing to the Middle East – rising from 20 percent of Brazil's broiler meat shipments to the Middle East in 2007 to 37 percent in 2017. Thus while total shipments grew, the percentage of cuts also rose substantially. Alternatively, the North African market, of which Egypt comprises the majority of Brazil's shipments, remains a steadfast whole bird market.



Source: IHS Markit



Source: IHS Markit

The Middle East shift from whole birds to cuts is most prevalent in Saudi Arabia. In 2017, when Brazil's broiler meat exports to Saudi Arabia declined, the impact was entirely on shipments of whole birds. Whereas trade in whole birds declined 31 percent, cuts expanded 7 percent. Trade in cuts is becoming increasingly resilient during downturns.

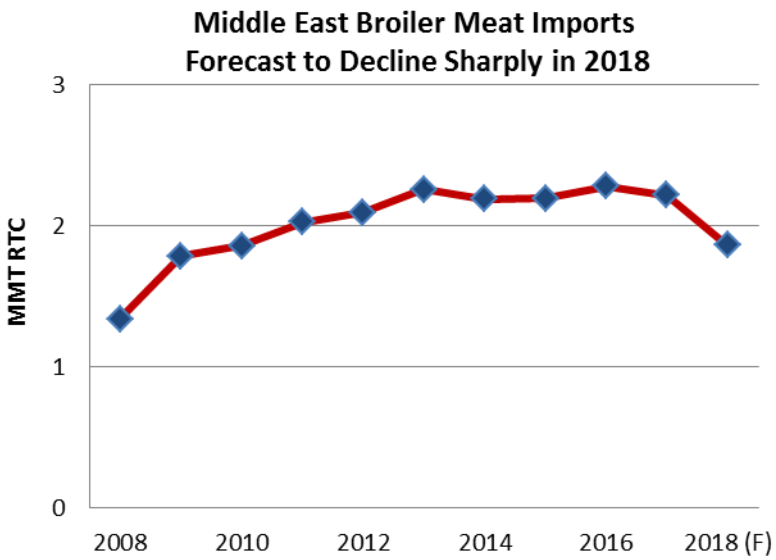
Saudi Arabia and Qatar Market Access Disruptions

Saudi Arabia: Saudi Arabia notified key suppliers in March 2018 of a change in regulations which will prohibit stunning prior to slaughter. As is the case with other major exporters, Brazilian broiler meat producers utilize stunning which would make product as it is currently produced ineligible for shipment. The forecast assumes that this new policy will remain in place for the duration of 2018 and that Brazil will modify some of its operations to meet this new requirement (albeit at a cost and requiring implementation time). However, major producers' exportable supplies to Saudi Arabia will be constrained. As a result, Saudi Arabia's imports are forecast 42 percent lower to 450,000 tons. Lower imports will have a significant negative impact (21 percent decline) on consumption. Imports as a percent of consumption will drop to 38 percent.

Qatar: Shipments to Qatar will be negatively impacted by the regional trade blockade. In June 2017, the UAE, Saudi Arabia, Bahrain, and Egypt severed diplomatic ties with Qatar and closed most transport links to and from the country. Qatari imports are forecast 46 percent lower to 75,000 tons on the expectation that new trading partners and channels will be developed but that shipments will remain below historical levels.

Brazil's Middle East Shipments Expected to Decline in 2018

Although opportunities exist for Brazilian broiler meat in MENA, growth in other markets such as Egypt, Iraq, Libya and the UAE will likely be unable to offset declines in Saudi Arabia and Qatar. As a result, Brazil's broiler meat shipments to MENA will decline in 2018. However, given population and income growth as well as changing consumption, significant market potential exists in the medium to long term. Thus MENA will likely remain a growing and changing market for Brazil's broiler meat exports.



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Notes to Readers

The *Livestock and Poultry: World Markets and Trade* circular is designed to give a snapshot of the current situation among the major players in world beef, pork, and broiler meat trade.

PSDs Excluded Beginning in Year 2015:

- Cattle: Colombia and Venezuela.
- Beef: Albania, Azerbaijan, Cote d'Ivoire, Georgia, Ghana, Jamaica, Senegal, and Uzbekistan.
- Pork: Albania, Armenia, Congo (Brazzaville), Gabon, Georgia, Ghana, Jamaica, North Korea, Kyrgyzstan, Moldova, Switzerland, and Trinidad and Tobago.
- Broiler Meat: Bahrain, Georgia, Iran, Jamaica, and Moldova.

PSDs Excluded Beginning in Year 2016:

- Pork: Venezuela.
- Broiler Meat: Venezuela.

PSDs Excluded Beginning in Year 2017:

- Live Swine: Australia.

Data Revisions in PSDs for Years Prior to 2016:

Revisions are made based on new and/or additional information.

Commodity/Attribute	Years	Countries
Cattle		
Stocks	2011-2015	Canada
Beef		
Production	2000-2015	Belarus, Guatemala, South Korea, Turkey, Venezuela, Vietnam
Trade	2008-2015	Canada, China, Lebanon, Peru, Turkey, United Arab Emirates
Swine		
Stocks	2012-2015	Canada
Pork		
Production	2010-2015	Angola, Colombia, Congo (Kinshasa), Ecuador, El Salvador, Haiti, Honduras, Macau, Mexico*, Montenegro, Panama, Serbia, Singapore, Uruguay, and Vietnam
Trade	2013-2015	Angola and Vietnam
Broiler Meat		
Production	2014-2015	Angola, Azerbaijan, Belarus, Cuba, Ghana, Guatemala, and Oman
Trade	2009-2015	Japan, Kazakhstan, and Russia

*Mexico's pork production for 2000-2017 has been revised based on an updated methodology for estimating carcass weight.

Assumptions

- **Diseases:** Forecast reflects disease (avian influenza, bovine spongiform encephalopathy, etc.) policies and restrictions in place as of April 10, 2018 and assumes their continuation.

Conversion Rates and HS Codes

	Beef & Veal	Pork	Broiler Meat
Conversion Rate	1.4	1.3	None
HS Codes	Fresh/Chilled: 0201 Frozen: 0202 Processed: 021020 & 160250	Fresh/Chilled: 020311, 020312, 020319 Frozen: 020321, 020322, 020329 Processed: 021011, 021012, 021019, 160241, 160242, 160249	Fresh/Chilled: 020711, 020713 Frozen: 020712, 020714 Processed: 160232

Note: There are several exceptions by country/product. In general, chicken paws are excluded. Also, beef and veal estimates include meat of other bovines for certain countries. In particular, Indian estimates include carabeef (water buffalo).

Technical Notes

CWE/PWE: All quantities (beef and pork) noted are in Carcass Weight Equivalent (CWE) unless otherwise noted as Product Weight Equivalent (PWE). CWE is the weight of an animal after slaughter and removal of most internal organs, head, and skin. PWE is the actual weight of the meat product exported.

RTC (Ready-to-Cook): The weight of poultry certified wholesome by inspection after post-mortem condemnation pounds are removed. Ready-to-cook represents poultry meat ready for the marketing channel.

FAS Reports from Overseas Offices

The *Livestock and Poultry: World Markets and Trade* circular is based on post reports submitted since January 2018 and on available secondary information. The individual country reports can be obtained on FAS Online at: http://gain.fas.usda.gov/Pages/Default.aspx.

PSD Online

The entire USDA PSD database is available online at: http://www.fas.usda.gov/psdonline.

Additional Resources

Please refer to the USDA-FAS Dairy, Livestock and Poultry website at: http://www.fas.usda.gov/commodities/livestock-and-meats for additional data and analysis.

Situation and outlook information on U.S. livestock and poultry can be obtained from the USDA-Economic Research Service at: https://www.ers.usda.gov/topics/animal-products/.

Future Releases and Contact Information

Please visit http://www.fas.usda.gov/data/livestock-and-poultry-world-markets-and-trade to view archived and future releases. The next release of this circular will be in October 2018.

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