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Opportunities for U.S. Beef Exports

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Value of U.S. Beef Exports

- Five years of steady growth in export sales

➤ 2009:	\$3.08 billion	897,376 MT
➤ 2014:	\$7.14 billion	1,196,752 MT
➤ 2015:	\$6.30 billion (-12%)	1,067,614 MT (-12%)

- Top Five Export Markets for 2015

➤ Japan	\$1.28 billion (-19%)	204,927 MT (-15%)
➤ Mexico	\$1.09 billion (-6%)	225,574 MT (-7%)
➤ Canada	\$900 million (-13%)	124,822 MT (-9%)
➤ Korea	\$810 million (-4%)	126,093 MT (-7%)
➤ Hong Kong	\$800 million (-31%)	120,905 MT (-22%)

*Source: USMEF



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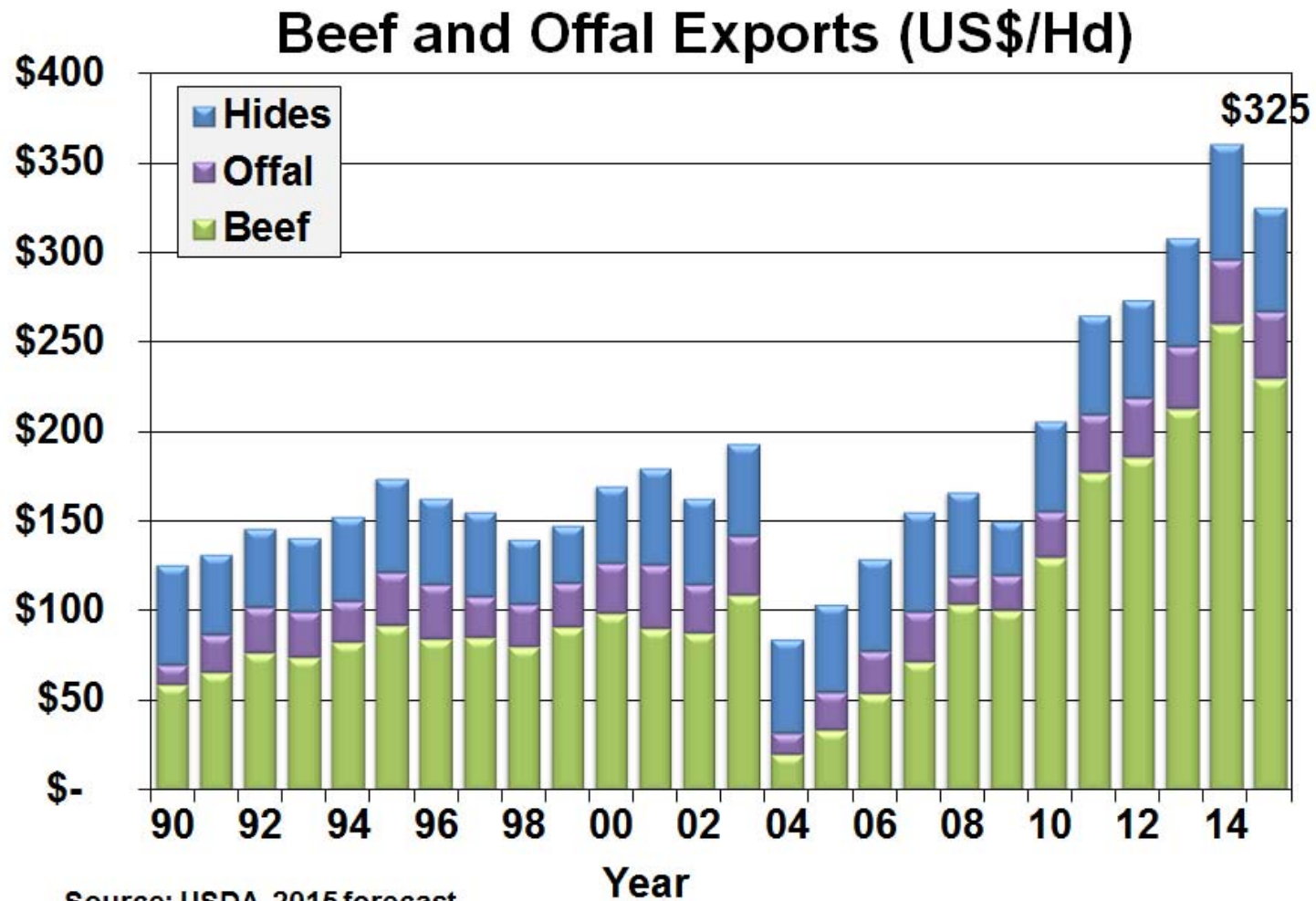
Value of U.S. Beef Exports

- 10-15% of Annual Production is Exported
- Muscle cuts (fresh/frozen), hides & skins, tallow, offals
- Offals = Lickers, Tickers, and Filters



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Source: USDA, 2015 forecast

Opportunities in TPP

- All tariffs go to zero, except for Japan
- Japan- tariff phases down from 38.5% to 9% in 16 years
- Tariff on tongue phases down from 12.8% to zero in 10 years
- Strong SPS Provisions
- Levels the playing field with Australia



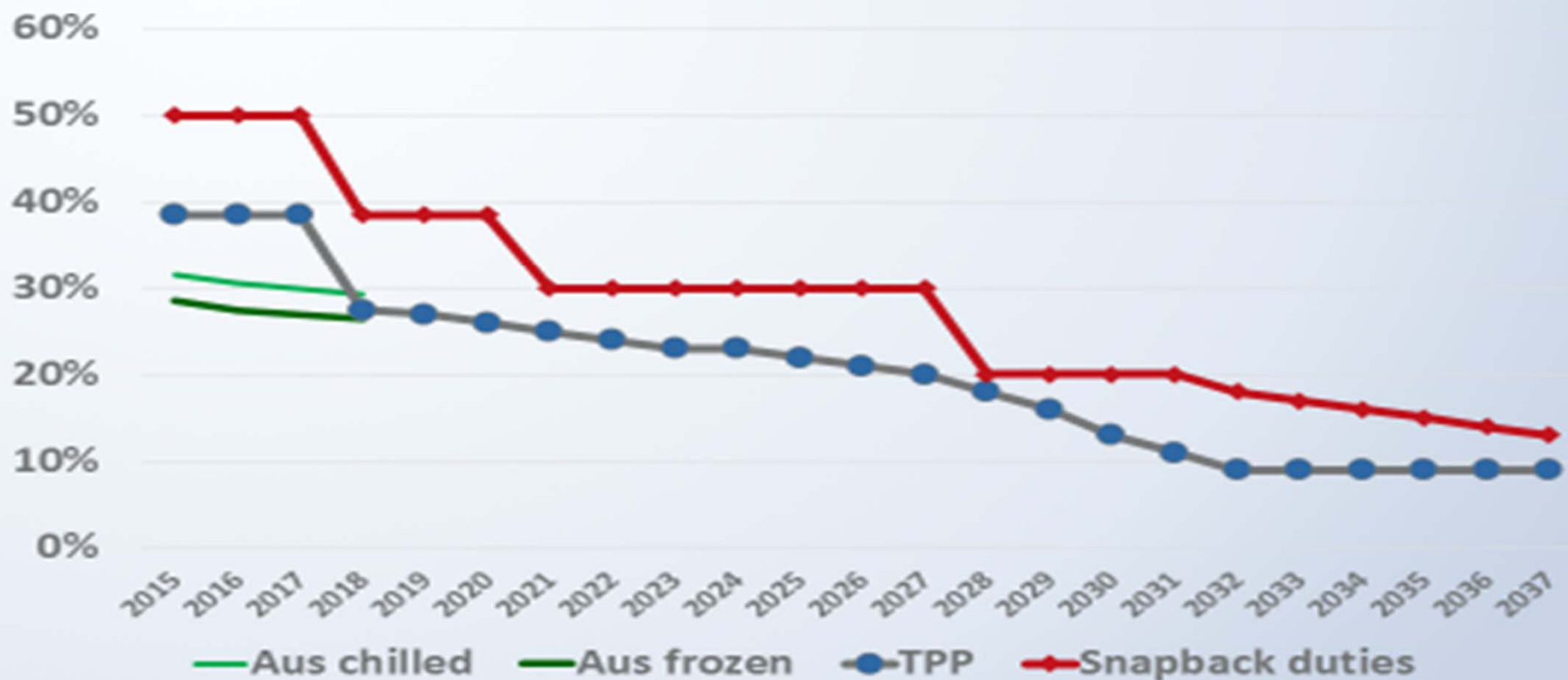
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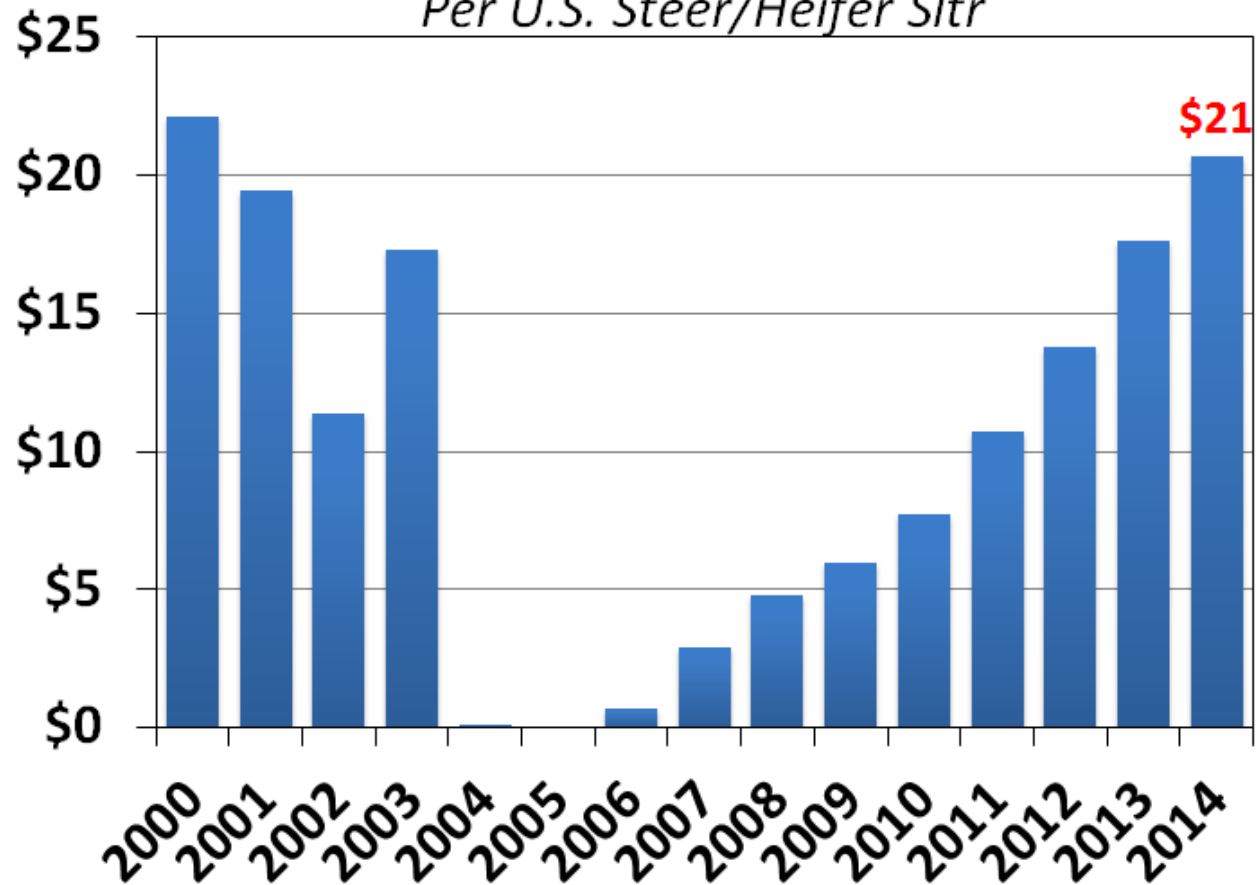
TPP to level the (duty) playing field

Duties on Chilled/Frozen Beef



Japanese Beef Duties

Per U.S. Steer/Heifer Sltr



Source: USDA, AgriTrends, Japan Customs

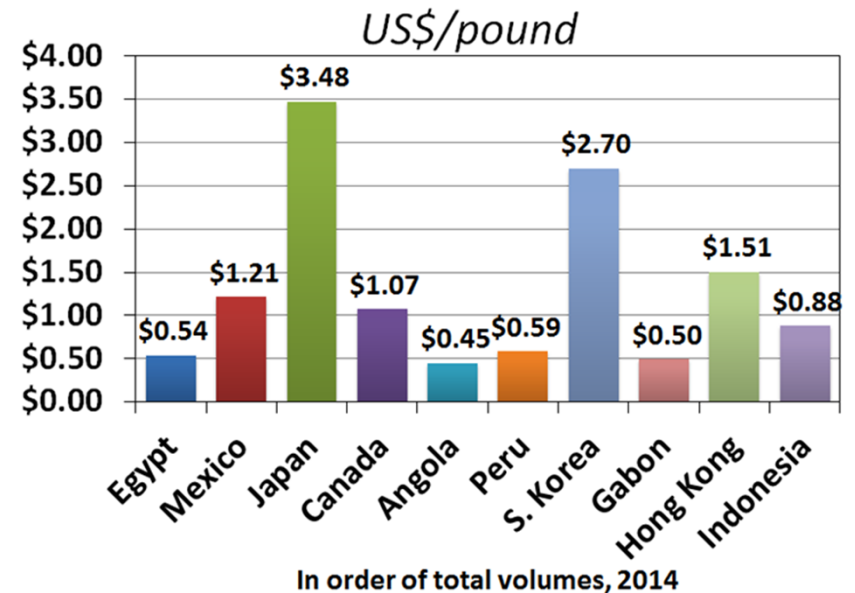
TPP: Japan is Key

- Japan is our most valued market for offals
- U.S. Beef Tongue Sales to Japan
 - 2014 = \$84,974,364
 - 2015 = \$62,534,835

Source (above): U.S. Dept. of Commerce

Source (right): Global AgriTrends

U.S. Variety Meat Exports



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Should We Worry About Beef Imports in TPP?

- No, all imported beef must meet equivalent rigorous safety standards as U.S. beef
- U.S. already has low tariffs on imported beef
- Imported beef is combined with trim from U.S. beef to meet commercial ground beef demand



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What Happens if TPP Fails?

- U.S. beef falls further behind Australia in Japan
- U.S. beef falls behind other leading exporters (Canada, New Zealand, Europe)
- No other market can absorb the high value we enjoy in Japan

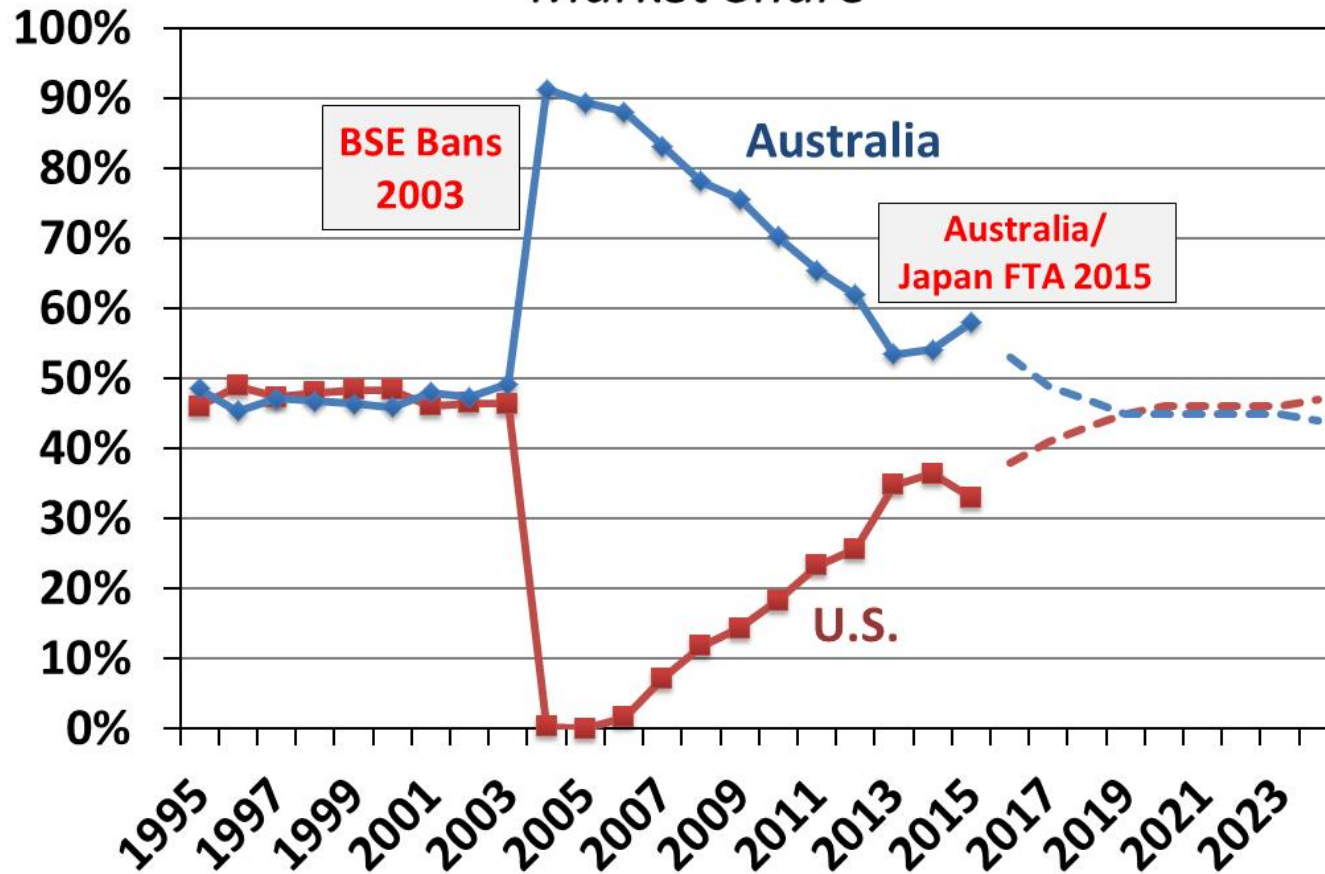


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Japan Beef Imports

Market Share



Source: GTIS, AgriTrends forecasts

Impact of Japan-Australia EPA
Change in Japan's beef imports, Jan-Sept 2015



Source: www.TPPNow.com/

What Happens if TPP Fails?

- U.S. loses leverage on future TPP countries
 - Taiwan
 - Philippines
 - Indonesia
 - Korea
- China sets terms of trade in the Pacific



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Conclusion

- For every day that passes we lose market share in Japan
- TPP levels the playing field for U.S. beef
- If TPP fails, China wins.

www.TPPNOW.com



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