

COW/CALF CORNER

The Newsletter

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Total U.S. beef imports were 3.0 billion pounds in 2018, up 0.2 percent year over year and essentially unchanged for the last three years. Table 1 summarizes the 2018 rank and share of countries from which the U.S. imports beef.

Canada was the largest source of U.S. beef imports for the second consecutive year accounting for more than one quarter of total beef imports and up 6.8 percent year over year. Beef from Australia, which had been the largest source of beef imports for the prior five years, was down 3.1 percent, year over year in 2018. Beef imports from New Zealand were up 2.8 percent in 2018 compared to the previous year. Beef imports from Mexico decreased 11.4 percent in 2018, the first year over year decrease in imports of Mexican beef in ten years. In 2018, the top four sources of beef imports represented 84.9 percent of total imports.

The second tier of countries that export beef to the U.S. includes Nicaragua, up 17.6 percent over 2017 to a new record level of 5.2 percent of total beef imports. At number six is Brazil, up 2.2 percent year over year. Beef imports from Uruguay were down 4.5 percent from the previous year. The top seven countries accounted for 98.7 percent of total beef imports.

Table 1. U.S. Beef Import Markets, 2018

Country	Rank	% of Total (2,999 bil. lbs.)
Canada	1	26.4
Australia	2	22.4
New Zealand	3	19.1
Mexico	4	16.9
Nicaragua	5	5.2
Brazil	6	4.7
Uruguay	7	3.8
Costa Rica	8	0.8
Honduras	9	0.2
Ireland	10	0.13
Netherlands	11	0.11
Japan	12	0.10

Several factors explain the flat demand for imported beef in the U.S in the last three years. Australia continues to struggle with widespread drought coupled with livestock losses due to regional flooding. These are causing reductions in cattle inventories, beef production and exports. U.S. imports of Australian beef have declined four consecutive years. Moreover, a recent article published in Australia notes that China is now largest beef importing country (including unofficial and official imports) and that China has replaced the U.S. as the principal driver of world beef prices (www.beefcentral.com/trade/is-china-the-new-us-for-world-beef-trade/). As a result there is less of a tendency for international beef supplies to flow to the U.S.

The majority of imported beef is used as processing beef in the U.S. The growing U.S. cow herd in recent years (and resulting increases in cow culling) has increased domestic supplies of processing beef. Non-fed (cow and bull) beef production has increased 19.2 percent since the recent low in 2015 (compared to a 12.4 percent increase in fed (steer and heifer) beef production over the same period). Simultaneously, several fast food chains have increased use of fresh hamburger thereby reducing the demand for frozen imported beef in the production of ground beef. U.S. beef imports are expected to decrease modestly in 2019.