

With talk of NAFTA back on the front pages, we thought it would be best to once again provide a synopsis of the meat and livestock trade flows between US and NAFTA countries. Rather than look at 2016, for which we have complete annual data, we thought it would be best to estimate 2017. Please note that the attached table is based on actual data through November plus our trend estimate for December. A couple of things that stand out on review:

Beef: The US beef trade balance with NAFTA has turned negative in recent years. The US has always been a large net importer of cattle from both Mexico and Canada. Almost all Mexican cattle coming into the US are feeder cattle that are shipped into feedyards in Texas, New Mexico and other nearby states. We currently estimate that total imports of Mexican Cattle in 2017 were 1.057 million head, with a value of \$662.8 million. This represents a 12% increase in volume and 13% increase in value compared to 2016. In addition, the US imported an additional 602k head of cattle from Canada. Some US cattle also move north of the border but the US remains a large net importer of Canadian cattle. One of the lines in the table is called 'net trade', i.e. exports minus imports. In 2017 our cattle trade balance with Canada was negative 441k head. Total net cattle trade balance with NAFTA countries was -1.457 million head or -\$1.2 billion. In the past the US was a net exporter of beef into NAFTA but that has changed as well. We estimate that in 2017 the US ran a negative beef trade balance with these two countries. Net beef trade with Mexico was a negative 62,000 MT (-\$191M) while net beef trade with Canada was negative 131.5k MT (-\$400M). When you total both cattle and beef, the US ran a negative trade balance with NAFTA of around \$1.8 billion. These numbers do not include variety meats, hides or any other such products.

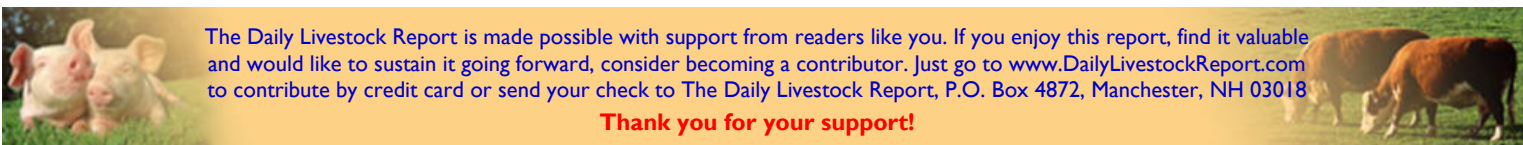
Pork: The US has been running a positive pork trade balance with Mexico in pork and this market is now the top buyer of US pork products. We estimate US pork shipments to Mexico for 2017 at around 660k MT, 12% higher than the previous year and accounting for over a third of all US shipments. The value of pork exports to Mexico in 2017 is estimated at \$1.256 billion, about a quarter of the value of all US pork exports. On the other hand, the US ran a negative trade balance with Canada. Swine imports in 2017 were estimated at 5.17 million head, mostly feeder pig, with a value of around \$320 million. In addition, the US purchased around 104k MT more pork from Canada than we exported there, with a net trade balance of negative \$144 million.

The attached table also includes poultry exports so as to calculate the trade balance in meat/livestock. Total trade balance with Mexico in 2017 was +\$1.2 billion while trade with Canada was -\$1.165 billion, leading one to conclude that, in terms of the livestock/poultry trade, Canada has more to lose in the event of US pulling from NAFTA.

2017 Projected Trade with NAFTA Countries & World

Data Source: Foreign Agricultural Service/USDA. December trade was trend estimated by Steiner Consulting

	Mexico		Canada		World Total	
Beef	'000 US\$	Head	'000 US\$	Head	'000 US\$	Head
Cattle Exports	\$ 54,991	40,329	\$ 159,215	161,089	\$ 246,737	212,142
Cattle Imports	\$ 662,822	1,057,406	\$ 768,307	601,981	\$ 1,410,804	1,639,146
Net Trade	\$ (607,831)	(1,017,078)	\$ (609,093)	(440,893)	\$ (1,164,067)	(1,427,004)
Exports as % of World	22%	19%	65%	76%		
	'000 US\$	MT	US\$	MT	US\$	MT
Beef Exports	\$ 748,694	134,857	\$ 784,018	108,936	\$ 6,433,873	954,277
Beef Imports	\$ 939,841	197,044	\$ 1,183,705	240,480	\$ 4,915,535	950,200
Net Trade	\$ (191,147)	(62,186)	\$ (399,687)	(131,544)	\$ 1,518,338	4,076
Exports as % of World	12%	14%	12%	11%		
Pork	'000 US\$	Head	'000 US\$	Head	'000 US\$	Head
Hog Exports	\$ 6,053	28,290	\$ 1,654	2,981	\$ 18,806	55,986
Hog Imports			\$ 320,648	5,167,649	\$ 320,655	5,167,666
Net Trade			\$ (318,994)	(5,164,668)	\$ (301,849)	(5,111,681)
Exports as % of World	32%	51%	9%	5%		
	'000 US\$	MT	'000 US\$	MT	'000 US\$	MT
Pork Exports	\$1,304,169	660,962	\$ 767,149	189,824	\$ 5,318,815	1,908,099
Pork Imports	\$ 48,095	14,049	\$ 911,097	292,906	\$ 1,613,235	445,902
Net Trade	\$1,256,074	646,913	\$ (143,947)	(103,082)	\$ 3,705,580	1,462,198
Exports as % of World	25%	35%	14%	10%		
Poultry	'000 US\$	MT	'000 US\$	MT	'000 US\$	MT
Chicken Exports	\$ 515,890	623,907	\$ 295,291	130,881	\$ 2,934,519	3,020,590
Exports as % of World	18%	21%	10%	4%		
Turkey Exports	\$ 254,481	145,766	\$ 10,612	3,190	\$ 425,479	234,832
Exports as % of World	60%	62%	2%	1%		



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