

Yesterday, we summarized the U.S. beef sector international trade results in dollars. Today, a similar summary is provided for the hog sector. In this sector, exports are several billion dollars more than what is imported, that is the U.S. is a net exporter. Internationally, traded items were put into five categories by the Livestock Marketing Information Center: live hogs (includes pigs); sausage casings and variety meats; hog and pork skins; pork and sausages; and lard, oils and other fats. In terms of dollars, the top category for both U.S. exports and imports is meat (i.e., pork and sausages).

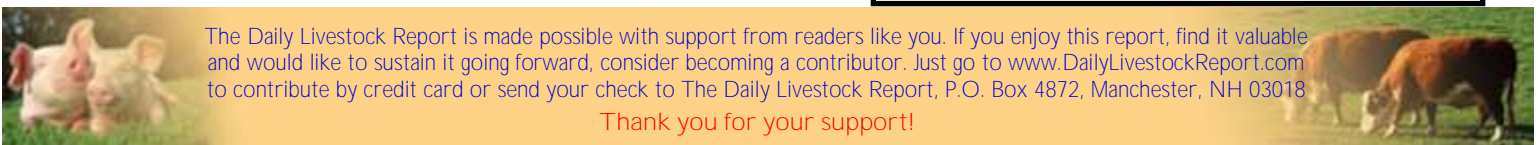
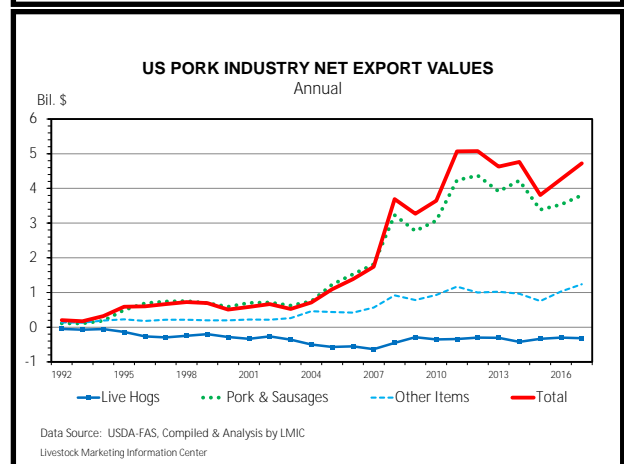
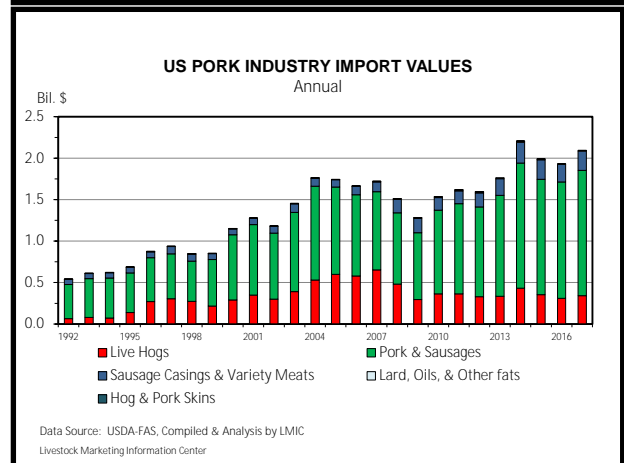
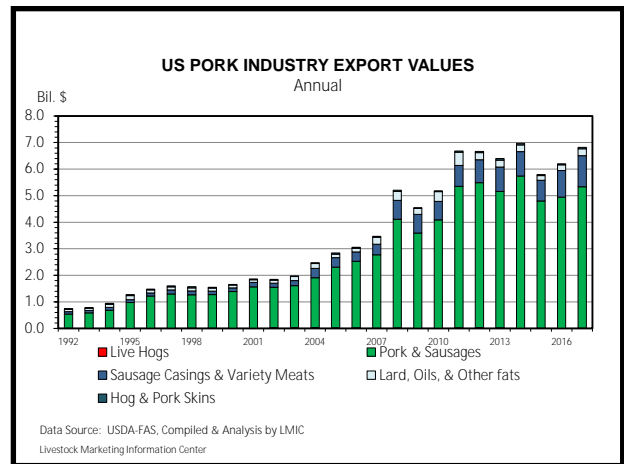
As depicted in the first graphic, the U.S. exports relatively few hogs and pigs (\$23 million in 2017), when looked at graphically that category is not distinguishable compared to other exports. In 2017, meat exports (pork and sausages) totaled just over \$5.3 billion, which was the largest since 2014's. The second largest category was sausage casings and variety meats with a value of \$1.2 billion in 2017 which was record-large. Total sector exports were over \$6.8 billion in 2017, the highest since 2014 (nearly \$7.0 billion).

The U.S. imports hogs and pigs, the vast majority of which come from Canada. Animal imports came in at \$342 million, which was less than 2016's but was above the value imported in 2014. Those imports were the second biggest category following meat at \$1.5 billion. Pork purchases come from several sources; the two largest are Canada and the European Union (EU). In 2017, the most significant source of imports from within the EU was Poland. Sausage casings and variety meats are the third category and were \$233 million in 2017. Totalled, the U.S. imported \$2.1 billion of hogs/pigs and pork products in 2017.

Netting exports and imports show that U.S. pork sector sales exceeded imports by more than \$4.7 billion (third graph), and was the largest value since 2014 (\$4.8 billion). The peak year in terms of net export values was 2012 at nearly \$5.1 billion.

Calendar year 2018 began with strong U.S. pork-meat exports. On a tonnage basis, as calculated by USDA's Economic Research Service on a carcass weight basis, in January the U.S. exported 28.5 million pounds more than a year earlier (up 6.2%). That was the largest for any month of January since 2012. In terms of dollar value (\$454 million), U.S. pork (meat) exports in January were just slightly below 2014's. The value of sausage casings and variety meats category in January was over \$91 million, setting a new high for that month.

Can a new all-time high net export value be established in 2018 for the U.S. pork sector? January was a great start, and the world economic environment and growing U.S. production provide solid potential. Of course, geopolitics is the great unknown.



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