

“Why do you never mention pork imports?” That is a question we have heard from readers from time to time — especially when we write about beef imports. It is true that pork imports contribute to total pork supplies just as beef imports contribute to total beef supplies but there are several reasons we (and, in general, most pork analysts) don’t pay a lot of attention to pork imports.

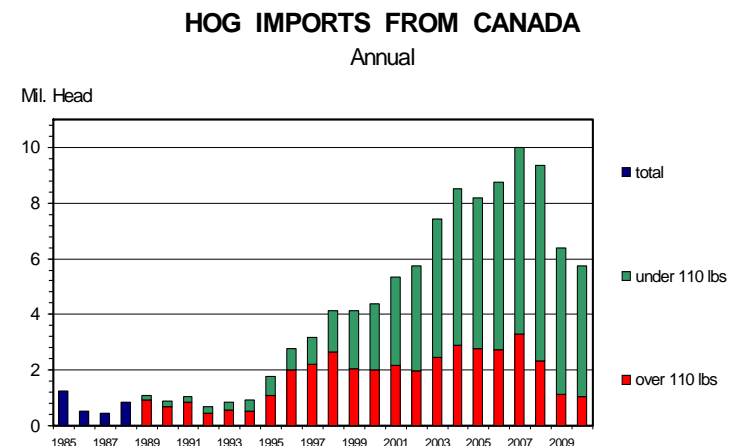
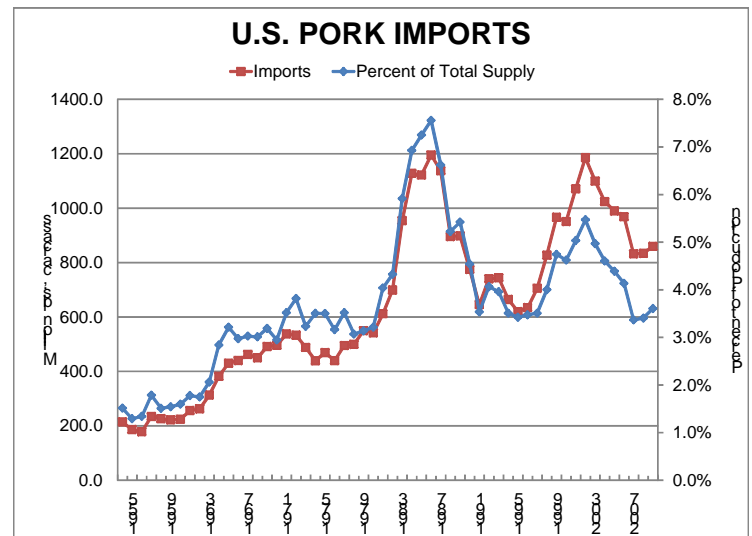
Pork imports are much smaller than beef imports and account for a relatively low percentage of total U.S. pork supply. As can be seen at right, U.S. pork imports peaked in 1985 (when the U.S. was the world’s largest pork importer!) at just under 1.2 billion pounds, carcass weight. Pork imports have remained in the range of 600 million to 1.2 billion pounds since then with the past 12 years seeing imports between 800 million and 1.2 billion pounds. For comparison, consider that U.S. beef imports peaked in 2004 at 3.7 billion pounds and were 2.345 billion pounds last year.

Imports as a percentage of total pork supply also peaked back in 1985 and have generally trended downward since that time. 2008 imports as a percent of total supply (3.37%) were the lowest since 1981. This measure of imports also peaked in 1985 but notice that the gap between imports as a percentage of total supply and imports in tonnage terms has been growing as U.S. domestic production has continued to increase. For comparison: US beef imports as a percentage of total U.S. beef supply have ranged from 6.5% to 12.8% over this time period with the peak coming in 2004.

It should be noted that the U.S. pork industry has grown dramatically since the mid-1980s. U.S. pork production in 1985 amounted to 14.8 billion pounds, carcass weight. Total U.S. pork disappearance (usually called “consumption” even though we are not exactly sure where the product goes) in 1985 was 15.8 billion pounds. Those numbers for 2010 were 22.5 billion and 19.1 billion pounds, increases of 22% and 21%, respectively.

Imports of hogs from Canada have garnered far more attention over time than have pork imports. These imports peaked in 2007 at just under 10 million head. But note that the vast majority of the pigs imported from Canada, both then and now, weigh less than 110 lbs. (50 kg) and come to the U.S. for feeding on U.S. farms. Roughly 60% of these are, in fact, newly weaned pigs that come into the U.S. weighing less than 15.4 lbs. (7 kg). Another 20% weight between 15 and 50 pounds. The remainder fall in the range of 50 to 110 lbs. but are primarily at the bottom end of that range. Imports of Canadian hogs for slaughter in the U.S. (which includes both market hogs and cull breeding animals) also peaked in 2007 but that 3.28 million head represented only 3% of total U.S. slaughter. These slaughter animals accounted for less than 1% of U.S. slaughter in 2010.

Why have imports declined? First and foremost, the U.S. industry has become much more competitive with world suppliers (even in our own market!) since the mid-1980s. Development and adoption of enhanced genetics, better nutrition and efficient production systems utilizing all in, all out pig flows and capturing all available economies of size and scale have driven on-farm costs lower. Ultra-efficient packers have added to that advantage. Second, world pork trade has been liberalized over time. Lower tariffs and the removal of export and production subsidies have allowed to most competitive suppliers, the U.S., Canada and Brazil, to thrive. Third, exchange rates have changed, improving the competitive position of the U.S. and hurting the position of Canadian and European producers



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