Borror-China-Tariffs-V2

SPEAKERS
John Herath, Erin Borror

John Herath 00:00
Retaliatory tariffs and other trade barriers have effectively halted U.S. beef and pork exports to China. Erin Borror, U.S. Meat Export Federation vice president for economic analysis, explains that the impact is being felt throughout the red meat industry.

Erin Borror 00:13
There's a mad scramble to try to essentially find new homes for this product that is in the pipeline that was produced for China. And remember that for China, we have special China labeling. It's ractopamine free product with a China label, both on the bag and the box. So it's costly production specific for China, and thus difficult to reroute or find a new home for this product.

John Herath 00:40
While USMEF has been working to diversify the global market, China has a unique position for red meat demand.

Erin Borror 00:46
They buy specific items at premiums that other markets are unwilling to pay, certainly at the volume and at the price that China takes. So on the beef side, they are a top customer for short plate, short rib, chuck short rib, rib finger, tiger tail, honeycomb, very China specific products. Without that China bid we're looking at $150 to $165 per head industry loss and added up over a year that would be about a $4 billion lost opportunity on the beef side. And for pork, again, China's the number three market. And for variety meats, China is still our dominant customer. They are by far the largest buyer of pork feet, head, items, stomachs, intestines, and they are taking tremendous volume at higher prices than any other customer can pay. And so without China on the pork side, we estimate the losses of about $8 to $10 per head right across that total industry for the year is about a billion dollar loss.

John Herath 01:56
For more, please visit USMEF.org. For the U.S. Meat Export Federation, I'm John Herath.

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