

Subscribe to our weekly dairy or livestock email newsletter at [CapitalPress.com/newsletters](http://CapitalPress.com/newsletters)

## Dairy/Livestock

# Meat exports lower but outlook strong

By CAROL RYAN DUMAS  
Capital Press

### U.S. meat exports January through February 2021

Item*	Quantity (metric tons)			Value (thousands of dollars)		
	2020	2021	% change	2020	2021	% change
Beef	219,395	208,540	-5	1,353,619	1,322,532	-2
Pork	546,659	487,896	-11	1,465,334	1,272,139	-13
Lamb & mutton	1,435	2,179	52	3,436	2,790	-19

\*All items include variety meats  
Source: USDA data compiled by U.S. Meat Export Federation

February exports of U.S. beef and pork remained below the rapid pace set in early 2020 but were consistent with projections by the U.S. Meat Export Federation.

Despite the year-over-year decline, the federation expects 2021 beef exports to increase substantially, while pork exports are projected to narrowly surpass the 2020 record.

Beef exports in February totaled 103,493 metric tons at a value of \$669.5 million. Those exports were down 8% in volume year over year and 2% in value, due mainly to a decline in variety meat exports.

Through February, beef exports year to date were down 5% in volume and 2% in value from a year earlier.

Beef exports to South Korea are off to a strong start

in 2021, up 9% in volume and 10% in value. In addition, demand for U.S. beef continues to grow in China, capitalizing on access gains achieved in the U.S.-China Phase One agreement, the federation reported.

Exports to China in January and February, at 16,982 metric tons, were up 1,072% in volume and, at \$124.1 million, were up 1,097% in value from the same period in 2020.

“With Phase One making beef from a much larger percentage of U.S. cattle eli-

gible for China, USMEF expect China to move into the top five destinations for U.S. beef exports in 2021,” Joe Schuele, the federation’s vice president of communications, said.

“In future years, China will likely join Japan and South Korea in the top tier of beef export markets,” he said.

On the pork side, February exports were down 12% from a year earlier at 239,240 metric tons and down 13% in value to \$629.4 million.

However, February pork

exports set records in the Dominican Republic, Guatemala, El Salvador and Costa Rica and contributed to a 37.7% increase in volume and a 33.9% increase in value of exports to Central America in February. Pork exports were also very strong to the Philippines and Colombia.

As anticipated, February pork exports to China trended lower than the enormous volumes shipped in 2020, down 28.2% in volume and 35.6% in value year over year. But the region continues to be the

largest destination for U.S. pork.

While down from 2020, pork exports to the region in 2021 will be the second largest on record, Schuele said.

“Phase One has helped ensure that more U.S. processing plants are eligible to export to China, and with fewer product restrictions,” he said.

U.S. lamb exports in February increased 142% in volume year over year to 1,152 metric tons and 19% in value to \$1.6 million. Those increases were fueled by larger variety meat shipments to Mexico, Canada and Hong Kong.

“While February exports were in line with expectations, the results don’t fully reflect global demand for U.S. red meat,” Dan Halstrom, USMEF president and CEO, said in a press release accompanying the data.

“Logistical challenges,

including congestion at some U.S. ports, are still a significant headwind and tight labor supplies at the plant level continue to impact export volumes for certain products — including some variety meat items and labor-intensive muscle cuts,” he said.

The flow of exports through U.S. ports is showing some gradual improvement as COVID-impacted crews move closer to full strength, but they remains a serious concern for the U.S. agricultural sector, he said.

Export demand has remained solid despite logistical challenges and other pandemic-related obstacles. Continued international demand, along with robust domestic business, contributed to stronger cutout values in the first quarter, which were up an average of 27% year-over-year for pork and 4% for Choice beef, the federation reported.

## Powder and whey bolster dairy exports

By CAROL RYAN DUMAS  
Capital Press

U.S. dairy exports climbed 7% in value and 15% in volume year over year in February, despite one fewer day and U.S. suppliers still facing shipping delays.

The growth was driven primarily by a resurgence in nonfat dry milk and skim milk powder to Mexico and Southeast Asia and whey demand in China, according to the U.S. Dairy Export Council.

U.S. suppliers shipped 178,090 metric tons of dairy products on a milk-solids equivalent in February valued at \$565.5 million.

Analysts with the export council were surprised by the increase in powder exports, expecting shipping delays would continue to harm exports. But powder shipments grew substantially in February, up 31.4% year over year to 71,548 metric tons — with a 38% increase to Southeast Asia and a 30% increase to Mexico.

February’s robust exports, anecdotal reports that product in inventory is sold and the gain in last week’s Global Dairy Trade suggest strong international demand for skim milk powder, the analysts said.

“Looking ahead, this suggests that if U.S. exporters can secure booking with a carrier, there will be opportunities to grow exports,” they said.

Whey exports are another bright spot. They climbed 29% in February year over year to 51,243 metric tons — with a 159% increase to China.

“Overall, both increased domestic demand for dairy products raising domestic milk prices and ongoing efforts to rebuild the swine herd has led China to dramatically increase whey exports,” the analysts said.

“The U.S. continues to be a key beneficiary of this demand despite the supply-chain constraints in moving product off the West Coast,” they said.

While cheese exports are lagging 2020 levels, there is some optimism in the February numbers. U.S. cheese exports were the highest in seven months.

Big gains were made in the Middle East, North Africa, Japan, China and South Korea, helping to mitigate an 11% decline to Mexico, the top U.S. market.

More competitive U.S. cheese pricing since December and progress in keeping COVID-19 in check in some key markets are creating a more optimistic outlook for U.S. cheese exports, the analysts said.

“But U.S. shipping issues and continued COVID-19 uncertainty remain strong headwinds to a full cheese rebound,” they said.

As for exports to Mexico, February marked the sixth consecutive month of year-over-year decreases in U.S. cheese exports, but it was the largest export volume since August 2020.

The lower exports to Mexico are primarily a result of weak demand caused by the COVID-19 pandemic, said William Loux, the council’s director of global trade analysis.

“Mexico’s economy was in a recession entering 2020, and the COVID-19 pandemic only exacerbated the economic situation,” he said.

According to Mexico’s National Institute of Statistics, Geography and Informatics, the economically active population in Mexico dropped by 10 million in the second quarter of 2020, he said.

## Shipping delays put drag on dairy exports

By CAROL RYAN DUMAS  
Capital Press

While U.S. exports of milk powders and dry whey products surged in February, other dairy commodities didn’t fare as well. And they all continue to face headwinds in getting to overseas ports.

“U.S. dairy exports, like many other U.S. agricultural products, are delayed leaving the United States as a result of logjams at U.S. and international ports,” said William Loux, director of global trade analysis for the U.S. Dairy Export Council.

There are several factors contributing to the delays, he said.

“First is that consumer demand for goods is very high, particularly in the United States,” he said.

During the pandemic, people aren’t able to go

### U.S. dairy exports January – February 2021

Product	(Metric Tons)		
	2020	2021	% change
NDM/SMP	124,014	134,452	8.4
Dry whey products	80,924	98,591	21.8
Cheese	58,907	55,408	-5.9
Lactose	64,814	51,206	-21.0
WMP	5,602	5,897	5.3
Butterfat	3,569	7,065	98.0
MPC	7,028	5,794	-17.6
Infant formula	5,449	4,226	-22.4
Evap/Cond Milk	2,082	1,660	-20.3
Casein	556	406	-27.0
Milk/cream (liters)	18,026	21,956	21.8
Total volume* (metric tons)	325,308	338,977	4.2
Total value (million dollars)	1,083.8	1,071.0	-1.2

\*milk solids equivalent  
Source: U.S. Dairy Export Council and U.S. Census Bureau

out and spend money on services as easily. So they spend more money on goods, which is driving up

international freight rates from Asia to North America, he said.

“Thus, it is highly prof-

itable for container companies to sail from Asia to the United States with expensive consumer goods, but it’s not as profitable for those companies to run agricultural commodities from the U.S. back to Asia,” he said.


As a result, rather than wait for U.S. export product to be loaded, container companies opted to run back empties to Asia, he said.

“This has left U.S. product stuck at the port and exacerbated other underlying issues, such as shipping companies reducing lines pre-pandemic, containers being in short supply globally and labor and equipment shortages at a number of ports,” he said.


“This isn’t to say that product isn’t moving or that it’s unsolvable, but the delays are a headwind on dairy exports,” he said.

# WOOD CHIPS SAWDUST & SHAVINGS

**For Pot-in-Pot, Playgrounds, Arenas, Pathways, Blueberry Mulch and more!**



**DELIVERY AVAILABLE THROUGHOUT OREGON!**



**LANE**  
FOREST PRODUCTS  
The company to grow with

We also have:  
**Soil Amendments, Potting Soils & Rock!**

Call to Order!  
**(888) 345-9085**

[laneforest.com](http://laneforest.com)