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Beef, pork exports set value records in 2021

Capital Press

Exports of beef and pork set records last year, according to the U.S. Meat Export Federation.

U.S. beef exports in 2021 surpassed \$10 billion for the first time, while pork exports topped \$8 billion for the first time, the federation said.

Beef export value soared to \$10.58 billion, up 38% from 2020, shattering the previous record in 2018 by 27%. Export volume at 1.44 million metric tons was up 15% from 2020 and up 7% from the previous record in 2018.

Beef exports to Korea, Japan and China/Hong Kong each exceeded \$2 billion, setting volume and value records in Korea and China/Hong Kong and a value record in Japan.

Beef exports also set a new value record in Taiwan at \$668 million, up 21% over 2020, and reached new heights in Central America, Colombia and Indonesia. Global exports of U.S. beef variety meat also set a new value record of \$1.09 billion, up 24% year over year.

"The beef export results are truly remarkable, especially considering the COVID-related obstacles in the global foodservice sector and all the supply-side and logistical challenges faced by the U.S. industry," Dan Halstrom, USMEF president and CEO, said in the annual export report.

"Obviously, our large Asian markets accounted for much of the growth, but it really takes broad-based global demand to reach these impressive levels. So this success story is not just about Korea, Japan and China, but also a strong performance in Taiwan, excellent growth in Central and South America and

a rebound in Mexico and Southeast Asia," he said.

Pork export volume in 2021 was 2.92 million metric tons, down 2% from the 2020 record. But export value climbed 5% to a record \$8.11 billion, surpassing the previous record of \$7.71 billion in 2020.

Record pork exports to Mexico, Central America, the Dominican Republic, Colombia and the Philippines helped offset a decline in demand from China in 2021.

Pork exports also increased to Japan and South Korea, including larger volumes of chilled pork. Global exports of U.S. pork variety meat set a new value record of \$1.24 billion, up 19% year over year.

"Entering last year, we knew it would be a daunting task to match the record level of pork exports reached in 2020 because of the recovery in China's swine herd and its rising domestic pork production," Halstrom said.

"But the U.S. is less dependent on China than other major pork exporters, and this is definitely reflected in the 2021 results. Even with shipments to China falling nearly 30%, total U.S. exports posted a very strong performance thanks to outstanding growth in Latin America and other key markets," he said.

Lamb exports in 2021 increased 9% year over year to 14,053 metric tons, valued at \$20.45 million and up 19%.

While volume growth was driven primarily by lamb variety meat exports to Mexico, lamb muscle cut exports rebounded to the Caribbean — achieving impressive growth in the Dominican Republic and increasing to Bermuda, the Bahamas, Trinidad and Tobago and Turks and Caicos.

Dairy exports break records in 2021

By CAROL RYAN DUMAS
Capital Press

2021 was the best year ever for U.S. dairy exports, which were up 10% in volume and 18% in value from the previous year.

A rebound in exports to Mexico and a sharp increase in whey and milk powder to China led widespread gains and new records, according to the U.S. Dairy Export Council.

Total U.S. dairy export volume reached 2.3 million metric tons of milk solids equivalent to break the record volume of 2020, and total export value surpassed the highs of 2014 to reach \$7.75 billion.

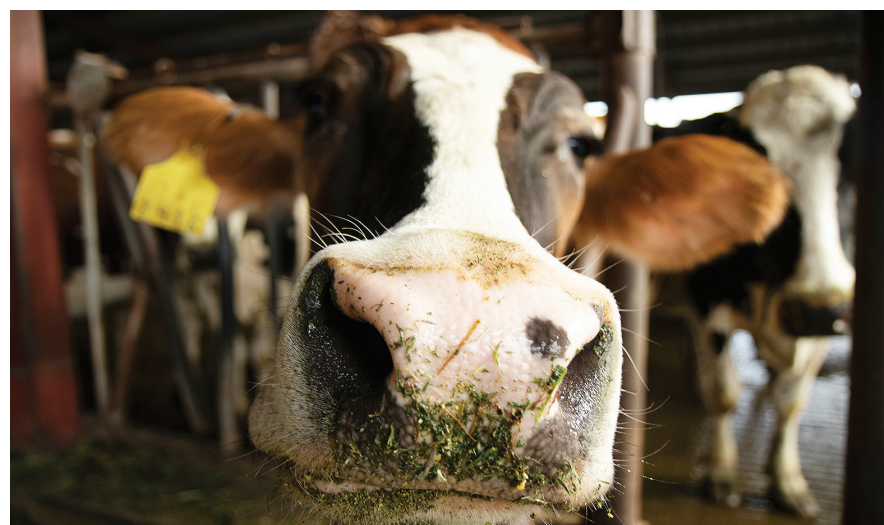
Cheese volumes also beat the 2014 record with a final total of 404,675 metric tons. Nonfat dry milk and skim milk powder beat the volume record set in 2020 to reach nearly 900,000 metric tons, and whey exports reached a new high of 613,943 metric tons.

Dairy exports set multiple other market and product records as well.

"Indeed, by all metrics, 2021 was a tremendous success for U.S. dairy exports," William Loux, USDEC director of global trade analysis, said in a year-end report.

U.S. dairy exporters managed to find success despite substantial headwinds from logistics, he said.

"Lack of trucking availability, shortages of equipment and containers, carrier companies ignoring export orders for blank loads and, most recently, declining productivity at ports have all taken their toll on U.S. exports — even though U.S. exports have clearly been positive," he said.



Sierra Dawn McClain/Capital Press File

U.S. dairy exports set records for volume and value last year.

Slower delivery times, higher shipping costs, unexpected fees and reputational damage all hurt U.S. exporters in key markets overseas and continue to limit the ability of U.S. dairy exports to reach their full potential, he said.

"As we look to 2022, we expect many of these headwinds to remain even as USDEC staff and policymakers look to find ways of easing the burden," he said.

In addition, slower-than-average U.S. milk production could limit product availability for export in the short term — even if overseas demand for U.S. dairy is plentiful, he said.

For 2022, slower growth in milk production combined with the usual expansion of domestic consumption, as well as port congestion adding costs to exporting, will make double-digit export growth

challenging, he said.

But USDEC remains bullish about the U.S. having a clear opportunity to be the growing dairy supplier to the world.

"U.S. milk production growth should return to above 1% by the second half of 2022. And in the longer term, underlying supply-demand fundamentals, a supportive investment and policy environment and U.S. dairy's commitment to international customers all signal long-term export growth potential," he said.

But short-term tightness in the market is likely to create headwinds to substantial growth in the near term, he said.

"To be 100% clear, there remain plenty of opportunities for growth in U.S. dairy exports. Demand is expanding around the world, and competitors are struggling to keep up," he said.

Tony Romo new face of beef promotion

By CAROL RYAN DUMAS
Capital Press



Tony Romo

The iconic "Beef — It's What's For Dinner" brand announced a new partnership with football commentator and former Dallas Cowboys quarterback Tony Romo at the 2022 Cattle Industry Convention.

The partnership, which will last one year and tap into Romo's vast fanbase, will promote all things beef — from beef nutrition, to how

beef is raised and beef's great taste.

"Kicking off this partnership in early 2022 is the perfect time to gear up for summer nutrition and grilling, spending time with friends and family and, of course, tailgating," said Sarah Reece, senior executive director of brand marketing at the National Cat-

tleman's Beef Association.

"From his nutrition expertise to his love of beef and family, Romo is the perfect spokesperson for the brand," she said.

"I'm really excited to be your new spokesperson," Romo said.

"Me, my wife and the kids eat beef all the time, and I think we're going to eat it even more if that's even possible at this point. Hearty and sustainable beef is my new team," he said.

In addition to the general consumer appeal associated with celebrity spokespeople, Romo will be featured promoting beef in photo and video advertisements on digital and traditional media platforms.

Additionally, social media content will be developed and promoted posts across the "Beef. It's What's For Dinner" social channels and on Romo's personal pages.

The brand is managed by NCBA and funded by the Beef Checkoff.

USDA extends Dairy Margin Coverage sign-up

By CAROL RYAN DUMAS
Capital Press

USDA has extended the deadline to enroll in Dairy Margin Coverage and Supplemental Dairy Margin Coverage to March 25 for 2022.

The original deadline was Feb. 18.

USDA expanded the DMC program to allow dairy producers to enroll supplemental production. The agency has also improved feed cost calculations.

Nearly 9,000 dairies, about 55% of the national total, have already enrolled. In 2021, enrolled dairy farmers received a total of \$1.2 billion.

The supplemental DMC will provide \$580 million to help small and mid-sized producers who increased production over the last few years but were not able to enroll the additional produc-

tion. Now they will be able to retroactively receive payments for that supplemental production for 2021.

It will require a revision to a producer's 2021 contract and must occur before enrollment in DMC for 2022. Eligible dairy operation with less than 5 million pounds of established production history can enroll supplemental pounds based on a formula using 2019 actual milk marketings.

DMC covers the margin between feed costs and milk prices between \$4 and \$9.50 a hundredweight of milk.

USDA has also changed the feed cost formula to better reflect the actual cost for premium quality alfalfa hay. It will calculate payments using 100% premium alfalfa rather than 50%. USDA will make retroactive payments to producers based on the new formula to January 2020.

Little dairy market reaction to Ukraine

By LEE MIELKE
For the Capital Press

The world is hearing the drumbeats of war this week as Russian troops moved into Ukraine. Energy markets moved higher, as did grains. Dairy markets showed little reaction Tuesday.

CME cheese headed higher early last week, then slowed. The Cheddar pounds climbed to \$1.99 per block last Tuesday, highest since Jan. 13, but closed Friday at \$1.9875, up 8 cents on the week and 45 cents above a year ago.

The barrels jumped to \$1.95 last Monday but saw their Friday finish at \$1.9350, up 2.50 cents on the week and 52.25 cents above a year ago. Seven sales of block were

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reported last week at the CME and 14 of barrel, highest weekly totals for both so far in 2022.

The markets were closed Monday for the President's Day holiday. The blocks inched up a quarter-cent Tuesday, with 3 cars exchanging hands, and hit \$1.99 per pound, as traders anticipated the afternoon's January Cold Storage report and Wednesday afternoon's Milk Production report.

The barrels were up 2 cents Tuesday on a trade, reaching \$1.9550, 3.50 cents below the blocks.



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