A Global Perspective on Market Reactions to & Mitigation of Foreign Animal Disease Occurrence

Jim Herlihy
VP of Communication
U.S. Meat Export Federation
The Challenge: Effective Communication

• Coordinate messaging through APHIS
  – Different ag groups may have different messages (meat vs. dairy)
• Help exporters/importers manage product
• Provide reassurance to international trading partners
2012 FMD Outbreaks
2012 African Swine Fever
The Issues

• Determining the production cutoff date

• Identifying product in transit
  – Roughly 3 weeks of production in pipeline
  – 5,364 containers by sea, and 1,092 on land
    • About 258 million pounds of beef, pork, lamb

• Clarifying product status
  – Return to U.S. – safe for consumption
  – Return to U.S. for disposal
  – Option to move to another market?

• Disposal options
What Can We Expect – ASEAN?

• Immediate import suspension
  – Vietnam might not
    • Regular FMD setbacks
What Can We Expect – China?

• Expect at least temporary market closure
  – (see AI outbreaks, H1N1)
What Can We Expect – EU?

• Open to regionalization
  – U.S. doesn’t have regionalization plan
What Can We Expect – Hong Kong?

• Not FMD-free
  – China is main pork supplier (with FMD)
    • Also imports from South America
  – Regional pressure
What Can We Expect – Japan?

- Immediate ban
- Follow OIE guidelines
- Expect slow resumption
What Can We Expect – Mexico?

• Immediate ban
• Regionalization unlikely
• Follow U.S. model
What Can We Expect – Middle East?

• Response likely in line with level of epidemic and OIE reports
• New FMD outbreak in Egypt
What Can We Expect – Russia?

- Immediate ban, future uncertain
  - Paraguay barred from exporting, reopened to regionalization one month later

- New outbreak near China border
What Can We Expect – South Korea?

• Immediate ban – no regionalization
What Can We Expect – Taiwan?

- Immediate ban
- New outbreak in Taiwan March 16
U.S. 2011 Beef/Pork Exports

- Pork
  - 2.25 million metric tons (4.97 billion pounds)
  - Valued at $6.1 billion
  - 27.5% of total pork production
  - $55.55 per head export value

- Beef
  - 1.29 million metric tons (2.84 billion pounds)
  - Valued at $5.42 billion
  - 14% of total beef production
  - $206.37 per head export value
FAD Impacts: BSE

• More than $12 billion in lost sales and opportunities since 2003
• Continued access restrictions
  – Japan (20-month cattle age)
  – China (no access)
  – Mexico, Taiwan, South Korea… (age and product limitations)
FAD Impacts: FMD

- More than **$12.9 billion** in lost sales and opportunities **per year**
- Estimate of 58,000 lost full-time jobs
- Additional losses to corn and soybean industries
  - Estimate of 570 million bushels of corn and 95 million bushels of soybeans exported through U.S. red meat in 2011
Questions?