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The Global and U.S. Meat Outlook Seminar in Singapore

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Report Highlights:

In cooperation with FAS Singapore, the U.S. Meat Export Federation (USMEF) organized the “Global and U.S. Outlook” Seminar on February 7, 2017, in Singapore. This report presents USMEF’s projections of the global and U.S. red meat situation and outlook for 2017. As for the Singapore market, there may be a slight rebound this year as U.S. pork gains competitiveness against the European Union, and U.S. beef gains competitiveness against Australia.



Erin Borrer (Economist, USEMF) at the Global and U.S. Meat Outlook seminar

(Source: FAS Singapore)

On February 7, 2017, in cooperation with the FAS Singapore office based at the U.S. Embassy, the U.S. Meat Export Federation (USMEF) organized the Global and U.S. Meat Outlook seminar. The featured speaker was Ms. Erin Borrer, Economist, from USMEF headquarters in Denver, Colorado. Targeted towards Singaporean importers of U.S. beef and pork, the seminar aimed to inform them about the global and U.S. red meat market situation and outlook for 2017.

Projections for 2017: U.S. pork and beef production

Ms. Borrer predicted some growth in U.S. pork and beef production in 2017.

For pork, the projected increase in production is attributed to:

1. Increased producers' profits and lower feed prices – as a result of record crop harvest of both soybeans and corn in 2016 - that have spurred hog production to increase globally
2. U.S. packers' added capacity
3. Strong demand from China.

For beef, the projected increase in production is attributed to:

1. Increase in cow herds, e.g., U.S. farmers have rebuilt their cow herds
2. Asia driving growth in U.S. beef exports - trend expected to continue in 2017
3. Continued competitiveness of U.S. red meat known for its high-quality, taste and high degree of marbling (juiciness/tenderness).

For the international market, global demand for red meat remains strong. For emerging markets, with

accelerating urbanization of cities and increasing incomes in developing countries, the trend is towards adding animal protein to diets.

However, production of red meat is expected to decline in Australia and the European Union-two main global competitors of U.S. red meat. Here's why:

1. For Australia, production is expected to fall by the greatest margin as heavy rains in 2016 renewed drought-stricken pastures and encouraged producers to retain stock for breeding, rather than for slaughtering.
2. For Europe, one of their biggest markets is China. However, the recent rise in the number of Chinese hogs and general pork prices have stimulated herd recovery and increased production in China, thereby dampening demand for imported pork including from Europe.

Aside from production growth, projected increase in sales of imports for 2017 is due to increased consumption of meat protein and lowered meat prices that help stimulate U.S. exports of red meat.

U.S.-Singapore Trade

In terms of sales forecasts for Singapore for CY 2017 for U.S. pork and beef, following the decrease in total imports as well as imports of beef and pork from the States in 2016, Ms. Borrer expects a bit of a rebound in the Singapore market this year, as U.S. pork gains competitiveness against the EU, and U.S. beef continues to gain competitiveness against Australia.

Pork

Pork to Singapore	Estimated value (CY 2016)	Down/increase in % (value) from 2015	Estimated volume (CY 2016)	Down/increase in % (volume) from 2015	Market share
U.S. exports to Singapore	\$ 12.5 million	Down 15%	3,829 mt	Down 11%	U.S. market share: 4.77%
Total imports from all sources	\$ 300.8 million	Down 3%	100,789 mt	Down 1%	N/A/

(Source: USMEF and Global Atlas Trade)

According to the USDA's Economic Research Service (ERS), pork production is expected to increase more than 5% in 2017 on average, reflecting the abundant availability throughout the year. Lower pork prices (from increased production) are expected to drive U.S. pork exports 4% higher than shipments in 2016.

Beef

Beef to Singapore	Estimated value (CY 2016)	Down/increase in % (value) from 2015	Estimated volume (CY 2016)	Down/increase in % (volume) from 2015	Market share
U.S. export to Singapore	\$ 17 million	Down 29%	1,794 mt	Down 25%	U.S. market share: 8.48 %
Total import from all sources	\$ 232 million	Down 10%	48,127 mt	Down 15%	N/A/

(Source: USMEF and Global Atlas Trade)

According to the USDA's Economic Research Service (ERS), slaughter rates are expected to continue increasing in 2017 as large numbers of cattle on feed placed in the last quarter of 2016 are marketed in the first half of 2017. Prices for cattle are forecast lower in 2017.