

# 12-16-22-Haggard-China-COVID

## SPEAKERS

John Herath, Joel Haggard

### John Herath 00:00

China's easing of many COVID restrictions is tremendous news for red meat demand, but it will take some time for restaurants and retail outlets to see a bounce from these changes. Joel Haggard, U.S. Meat Export Federation Senior Vice President for the Asia Pacific, notes that China will have to work through a dramatic COVID surge first.

### Joel Haggard 00:17

What is interesting about this whole thing is that this dismantling has taken place at a time of a huge new surge in COVID cases. And I think everyone was kind of expecting that because of this naive immunity that the population had, a very small percentage of the population have had COVID, so this is their first real wave. So overall, the direction is positive, but it's going to be bumpy over the next couple of months. We can already see that in cities like Beijing and Wong Jo, probably within a couple of weeks, they will have hit a peak. And so how this plays out to the economies is still very difficult to predict. One factor that probably will supercharge the wave is the vast internal population movements that happen before the Chinese New Year.

### John Herath 01:06

There are also indications that beef inventories in China had been building, but haggard is optimistic for an uptick in demand in 2023.

### Joel Haggard 01:13

U.S. beef exports to China have been stellar so far this year. This is going to be a record year. We are aware that inventories have been building of all imported beef. It's because of the poor retail environment over the last couple of months. And things are still uncertain as I as I mentioned before, but I think there's optimism about next year, simply because many of these restrictions are being lifted. There's a good chance that international travel will resume, maybe quarantine free, maybe in the early part of the year. Just think of the hotel business which has really been cratered by COVID. The vision of that coming back is there now with this dismantling of the COVID regulation. So, bumpy in the short to medium term optimistic in the longer term.

### John Herath 02:00

For more information, visit [USMEF.org](https://usmef.org). For the U.S. Meat Export Federation, I'm John Herath.