Borror on impact of FTAs 2-14-22

SPEAKERS
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Joe Schuele
In this U.S. Meat Export Federation Report economist Erin Borror explains how trade agreements helped pave the way for record large red meat exports, beginning with soaring beef exports to Korea.

Erin Borror
Korea's consumption per capita has increased by 40% compared to 2012. There are lots of drivers in play in the market., but certainly in the KORUS FTA. We've watched that duty notch down from 40% - four zero, down to this year 10.7%. That has certainly helped make a wider range of US beef available in the market. The biggest tonnage growth last year was of course into China. And that was the China U.S. Phase One Agreement. That added competition from China helped to really increase the value for everybody. The Japan - U.S. agreement has also been critical, Japan's tariffs are still relatively high even with the FTAs. But for U.S., we are fortunately on a level tariff playing field. And then Latin America, really key as well. Tremendous growth into markets like Central America, the Dominican Republic, big growth into Colombia, and then the key customers in Peru and Chile, also benefiting from the FTAs. So on the pork side, duty-free access into these Western Hemisphere markets was really critical in moving such a huge increase in volume at higher prices. Shipments of us pork to Mexico again, huge record year. And then as you move on south into Central America, just an amazing year, 41% increase. In Colombia, it was partially a rebound story. And again, there's room for further growth in Korea, tariffs have already been eliminated. And last year, we really saw the U.S. emerge as the top supplier of chilled pork into Korea. For Japan again, the Japan agreement absolutely essential, especially for things like our ground seasoned pork. We would have been stuck at 20% and instead that tariff's phasing to zero quickly.

Joe Schuele
For more information, please visit USMEF.org. For the US Meat Export Federation. I'm Joe Schuele.